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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) November 12, 2004

Wynn Resorts, Limited
(Exact name of registrant as specified in its charter)

Nevada	000-50028	46-0484987
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On November 12, 2004, the Registrant issued a press release announcing that its subsidiary, Wynn Las Vegas, LLC, has commenced a cash tender offer for any and all outstanding 12.0% Second Mortgage Notes due 2010 issued by Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. In conjunction with the tender offer, Wynn Las Vegas, LLC is also soliciting consents to adopt certain proposed amendments to the indenture pursuant to which the notes were issued and the related collateral documents. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

The tender offer is scheduled to expire at 12:01 a.m., New York City time, on December 11, 2004, unless extended or earlier terminated. The solicitation of consents is scheduled to end at 9:00 a.m., New York City time, on November 22, 2004, unless extended or earlier terminated. Subject to certain conditions, holders of notes who tender their notes (and thereby consent to the proposed amendments) on or before 9:00 a.m. on November 22, 2004, will receive a consent payment and the tender offer consideration, which includes a premium. Holders who tender after that time and before the expiration of the tender offer will receive only the tender offer consideration, which includes a premium, but no consent payment.

The Registrant believes that officers, directors and other affiliates own approximately $17.9 million of the outstanding notes. All of these affiliates have informed the Registrant that they intend to tender their notes in response to the offer after the consent solicitation ends. As a result, they will receive the tender offer consideration but not the consent payment.

The tender offer and consent solicitation are subject to the valid tender of, and delivery of consents with respect to, a majority of the outstanding principal amount of notes (excluding notes held by affiliates), obtaining the necessary financing and customary conditions.

Exhibit 99.2 to this Report contains the consolidated balance sheets of Wynn Las Vegas, LLC and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations and comprehensive loss, member’s equity, and cash flows for each of the three years in the period ended December 31, 2003, and for the period from inception to December 31, 2003, and the related notes thereto. Exhibit 99.2 to this Report, which also includes the Independent Auditors’ Report, is incorporated by reference herein.

Exhibit 99.3 to this Report contains the unaudited condensed consolidated balance sheets of Wynn Las Vegas, LLC and subsidiaries as of September 30, 2004 and as of December 31, 2003, and the related unaudited condensed consolidated statements of operations and comprehensive loss, and cash flows for the three and nine months ended September 30, 2004 and 2003, and for the period from inception to September 30, 2004, and the related notes thereto. Exhibit 99.3 to this Report is incorporated by reference herein.

Exhibit 99.4 to this Report contains the Management’s Discussion and Analysis of Results of Operations and Financial Condition for Wynn Las Vegas, LLC. Exhibit 99.4 to this Report is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits:

Exhibit Number	Description
99.1	Press Release, dated November 12, 2004, of Wynn Resorts, Limited.
99.2	Consolidated Financial Statements for Wynn Las Vegas, LLC and Subsidiaries as of December 31, 2003 and 2002 and for the years ended December 31, 2003, 2002 and 2001, including the notes thereto and Independent Auditors’ Report.
99.3	Condensed Consolidated Financial Statements for Wynn Las Vegas, LLC and Subsidiaries as of September 30, 2004 and as of December 31, 2003 and for three and nine months ended September 30, 2004 and 2003, and the notes thereto.
99.4	Management’s Discussion and Analysis of Results of Operations and Financial Condition of Wynn Las Vegas, LLC.

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 hereunto duly authorized.

Date: November 12, 2004

Wynn Resorts, Limited

By: /s/ John Strzemp

John Strzemp
Executive Vice President and
Chief Financial Officer

Wynn Resorts Announces Commencement of Tender Offer and Consent Solicitation by Wynn Las Vegas, LLC for Any and All of the 12.0% Second Mortgage Notes Due 2010

LAS VEGAS, NEVADA (November 12, 2004) – Wynn Resorts, Limited (Nasdaq:WYNN) announced today that its subsidiary, Wynn Las Vegas, LLC, has commenced a cash tender offer for any and all of the $247,580,000 aggregate principal amount of outstanding 12.0% Second Mortgage Notes due 2010 (CUSIP No. 983130 AA 3) issued by Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. The tender offer is scheduled to expire at 12:01 a.m., New York City time, on December 11, 2004, unless extended or earlier terminated.

In conjunction with the tender offer, Wynn Las Vegas, LLC is also soliciting consents to adopt certain amendments to the indenture and related documents pursuant to which the notes were issued. The solicitation of consents is scheduled to end at 9:00 a.m., New York City time, on November 22, 2004, unless extended or earlier terminated. Holders will be entitled to withdraw their tenders and revoke their consents pursuant to the tender offer only before 9:00 a.m., New York City time, on November 22, 2004.

The proposed indenture amendments would, among other things: eliminate substantially all of the restrictive covenants; eliminate most events of default (other than for failure to make payments of interest or principal); release certain guarantees; and provide for the release of certain collateral.

Subject to certain conditions, holders of notes who tender their notes (and thereby consent to the proposed amendments) on or before November 22, 2004, will receive a consent payment and the tender offer consideration, which includes a premium. Holders who tender after 9:00 a.m. on November 22, 2004 and before December 11, 2004 will receive only the tender offer consideration, which includes a premium, but no consent payment.

Wynn Las Vegas, LLC is making the tender offer and consent solicitation as part of a refinancing of its existing debt. Wynn Las Vegas, LLC intends to finance the tender offer and consent solicitation with a portion of approximately $2.2 billion of new debt financing it intends to arrange.

The tender offer and consent solicitation are subject to the valid tender of, and delivery of consents with respect to, a majority of the outstanding principal amount of notes (excluding notes held by affiliates of the issuers), arranging new debt financing and other customary general conditions.

Deutsche Bank Securities Inc. and Banc of America Securities LLC are acting as the exclusive dealer managers and solicitation agents; MacKenzie Partners, Inc. is acting as the information agent; and Wells Fargo Bank, National Association is acting as depositary in connection with the tender offer and consent solicitation. Copies of the Offer to Purchase and Consent Solicitation Statement, Letter of Transmittal and Consent, and other related documents may be obtained from the information agent at MacKenzie Partners, Inc., 105 Madison Avenue, New York, New York 10016, 800-322-2885 (toll free) or 212-929-5500 (collect). Additional information concerning the terms of each Offer and Consent Solicitation may be obtained by contacting Deutsche Bank Securities Inc. at 800-553-2826 (U.S. toll free) or 212-250-4270 (collect) or Banc of America Securities LLC at 888-292-0070 (U.S. toll free) or 704-388-4813 (collect).

This press release shall not constitute an offer to purchase or the solicitation of an offer to sell or a solicitation of consents with respect to the notes. The tender offer and consent solicitation may only be made in accordance with the terms of and subject to the conditions specified in the Offer to Purchase and Consent Solicitation Statement, dated November 12, 2004, and the related Letter of Transmittal and Consent, which more fully set forth the terms and conditions of the tender offer and consent solicitation.

Wynn Las Vegas, LLC is constructing, and will own and operate, the Wynn Las Vegas hotel and casino resort. The new casino resort has been designed to be the pre-eminent luxury hotel and destination casino resort on the Las Vegas Strip. Wynn Las Vegas is the concept of Stephen A. Wynn, the Chairman of the Board and Chief Executive Officer of Wynn Resorts, Limited. Wynn Las Vegas is expected to open to the public in April 2005.

This press release contains "forward-looking statements" within the meaning of the federal securities laws. The forward-looking statements in this press release involve risks and uncertainties which could cause actual results to differ from those expressed in or implied by the statements herein. Additional information concerning potential factors that could affect the company's future results is included under the caption "Risk Factors" in Item 1 of Wynn Resorts' annual report on Form 10-K for the year ended December 31, 2003.

CONTACT:
Wynn Resorts, Limited
Samanta Stewart, 702-770-7555
investorrelations@wynnresorts.com

SOURCE: Wynn Resorts, Limited

EXHIBIT 99.2

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2003 and 2002; for the years ended
December 31, 2003, 2002 and 2001, and for the period from
Inception (April 17, 2001) to December 31, 2003

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
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Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Member of
Wynn Las Vegas, LLC
Las Vegas, Nevada

We have audited the accompanying consolidated balance sheets of Wynn Las Vegas, LLC and subsidiaries (a development stage company) (the "Company") as of December 31, 2003 and 2002, and the related consolidated statements of operations and comprehensive loss, member's equity, and cash flows for each of the three years in the period ended December 31, 2003, and for the period from Inception to December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wynn Las Vegas, LLC and subsidiaries as of December 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, and for the period from Inception to December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Las Vegas, Nevada
March 5, 2004

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

	December 31, 2003	December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,234	$ 7,499
Restricted cash and investments	58,312	—
Receivables, net	11	27
Prepaid expenses	566	394
Total current assets	77,123	7,920
Restricted cash and investments	297,829	792,729
Property and equipment, net	763,254	288,285
Water rights	256	—
Trademark	1,000	1,000
Deferred financing costs	50,972	60,159
Other assets	18,749	5,617
Total assets	$ 1,209,183	$ 1,155,710
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts and construction payables	$ 562	$ 3,095
Accrued interest	9,438	8,159
Accrued compensation and benefits	913	258
Other accrued expenses	174	174
Due to affiliates	48,874	—
Total current liabilities	59,961	11,686
Long-term debt	385,220	381,900
Due to affiliates	542,107	533,049
Total liabilities	987,288	926,635
Commitments and contingencies		
Member's equity:		
Contributed capital	237,075	237,075
Accumulated other comprehensive income	8,793	—
Deficiency accumulated from inception during the development stage	(23,973)	(8,000)
Total member's equity	221,895	229,075
Total liabilities and member's equity	$ 1,209,183	$ 1,155,710

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(amounts in thousands)

	Year Ended December 31, 2003	Year Ended December 31, 2002	Year Ended December 31, 2001	Period from Inception to December 31, 2003
Airplane revenues	$ 2,500	$ 2,699	$ 1,996	$ 7,733
Expenses:				
Pre-opening costs	18,937	5,657	3,698	30,293
Depreciation and amortization	2,119	1,771	2	3,892
Loss on sale of assets	—	33	—	33
Loss from incidental operations	425	93	—	518
Total expenses	21,481	7,554	3,700	34,736
Operating loss	(18,981)	(4,855)	(1,704)	(27,003)
Other income (expense):				
Interest expense, net	(5,048)	(1,872)	—	(6,920)
Interest income	8,056	1,894	—	9,950
Other income, net	3,008	22	—	3,030
Net loss accumulated during the development stage	(15,973)	(4,833)	(1,704)	(23,973)
Change in fair value of interest rate swaps	8,793	—	—	8793
Comprehensive loss	$ (7,180)	$ (4,833)	$ (1,704)	$ (15,180)

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY (DEFICIENCY)
(amounts in thousands)

Balance at inception	$ —
Net loss accumulated during the development stage	(1,463)
Balance at December 31, 2000	(1,463)
Net loss accumulated during the development stage	(1,704)
Balance at December 31, 2001	(3,167)
Contributions	237,075
Net loss accumulated during the development stage	(4,833)
Balance at December 31, 2002	229,075
Change in the fair value of interest rate swaps	8,793
Net loss accumulated during the development stage	(15,973)
Balance at December 31, 2003	$221,895

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

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Year Ended December 31, 2003	Year Ended December 31, 2002	Year Ended December 31, 2001	Period from Inception to December 31, 2003
Cash flows from operating activities:				
Net loss accumulated during the development stage	$ (15,973)	$ (4,833)	$ (1,704)	$ (23,973)
Adjustments to reconcile net loss accumulated during the development stage to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,119	1,771	2	3,892
Amortization of deferred financing costs and OID	12,507	—	—	12,507
Loss on sale of assets	—	33	—	33
Increase (decrease) in cash from changes in:				
Receivables, net	16	(27)	—	(11)
Inventories and prepaid expenses	(172)	(268)	(91)	(566)
Accounts payable and accrued expenses	(595)	11,505	98	11,091
Total adjustments	13,875	13,014	9	26,946
Net cash provided by (used in) operating activities.	(2,098)	8,181	(1,695)	2,973
Cash flows from investing activities:				
Capital expenditures, net of construction payables	(409,014)	(66,004)	(2)	(475,023)
Restricted cash and investments	436,588	(792,229)	(500)	(356,141)
Other assets	(4,339)	(5,360)	(1,257)	(10,956)
Due (to) from related parties	(10,402)	306,237	3,454	300,707
Net cash provided by (used in) investing activities	12,833	(557,356)	1,695	(541,413)
Cash flows from financing activities:				
Equity contributions	—	237,075	—	237,075
Proceeds from issuance of long-term debt	—	381,334	—	381,334
Payments of financing costs	—	(61,735)	—	(61,735)
Net cash provided by financing activities	—	556,674	—	556,674
Cash and cash equivalents:				
Increase in cash and cash equivalents	10,735	7,499	—	18,234
Balance, beginning of period	7,499	—	—	—
Balance, end of period	$ 18,234	$ 7,499	$ —	$ 18,234
Supplemental cash flow disclosures:				
Cash paid for interest, net of amounts capitalized	$ —	$ 1,419	$ —	$ 1,419
Asset contributions and transfers	256	221,937	3	222,196
Other, net	1,074	2,142	—	3,216
Deferred compensation capitalized into construction	3,171	—	—	3,171
Change in fair value of interest rate swaps	8,793	—	—	8,793

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

Hotel A, LLC was formed on April 17, 2001 as a Nevada limited-liability company. On May 15, 2002, Hotel A, LLC changed its name to Wynn Las Vegas, LLC. Hotel A, LLC and its successor, Wynn Las Vegas, LLC is hereafter referred to as the “Company”. The sole member of the Company is Wynn Resorts Holdings, LLC (“Holdings”). The sole member of Holdings is Valvino Lamore, LLC (“Valvino”). On September 24, 2002, all of the members of Valvino contributed 100% of the membership interests in Valvino (210,834 shares) to Wynn Resorts, Limited (“Wynn Resorts”) in exchange for 40,000,000 shares of Wynn Resorts common stock. At that time, Valvino became a wholly owned subsidiary of Wynn Resorts.

The Company was primarily organized to construct and operate Wynn Las Vegas, a luxury hotel and destination casino resort currently being constructed on the site of the former Desert Inn Resort and Casino (the “Desert Inn”) in Las Vegas, Nevada. Wynn Las Vegas will occupy approximately 217 acres of land for the resort casino, including approximately 20 acres of land for its anticipated expansion facilities held by Bora Bora, LLC, an affiliate of the Company and wholly-owned subsidiary of Wynn Resorts, land for guest and employee parking facilities and approximately 142 acres comprising the golf course held by Holdings. Wynn Design & Development, LLC, a wholly-owned subsidiary of Valvino and affiliate of the Company acts as the construction manager and transfers the costs to construct Wynn Las Vegas to the Company.

Wynn Las Vegas Capital Corp. (“Wynn Capital”) is a wholly owned subsidiary of the Company incorporated on June 3, 2002, solely for the purpose of obtaining financing for Wynn Las Vegas. Wynn Capital is authorized to issue 2,000 shares of common stock, par value $0.01. At December 31, 2003, the Company owned the one share that was issued and outstanding. At and for the period from its inception through December 31, 2003, Wynn Capital has neither any significant net assets nor any operating activity.

On October 25, 2002, Wynn Resorts completed the initial public offering of approximately $450 million of its common stock (before underwriting discounts and commissions) and Wynn Las Vegas, LLC and Wynn Capital concurrently issued $370 million aggregate principal amount of 12% second mortgage notes (the “Notes”) and obtained commitments for a $750 million senior secured revolving credit facility, a $250 million delay draw senior secured term loan facility and a $188.5 million FF&E facility (as defined herein). These funds are being, and will continue to be, used to fund construction of Wynn Las Vegas and to provide funds for investment in Wynn Resorts’ casino resort project in the Macau Special Administrative Region of the People’s Republic of China. Approximately $1.8 billion of these funds were obtained specifically for constructing and equipping Wynn Las Vegas. The balance of the $2.4 billion required for the land purchase, design, construction and equipping of Wynn Las Vegas was provided by cash contributions from the members of Valvino.

In October 2002, Wynn Completion Guarantor, LLC (“Wynn Completion Guarantor”), a special-purpose Nevada limited-liability company and wholly owned subsidiary of the Company was formed to provide a Wynn Las Vegas completion guarantee in favor of the lenders under the Company’s credit facilities and the holders of the Company’s 12% second mortgage notes.

Also in October 2002, Valvino transferred certain of its assets directly to Wynn Las Vegas, including its 100% equity interests in both World Travel, LLC (“World Travel”) and Las Vegas Jet, LLC (“Las Vegas Jet”), companies which own and operate, respectively, a corporate aircraft. Because these transfers were between entities under common control, in accordance with SFAS No. 141, “Business Combinations”, the assets and liabilities of the entities acquired have been recorded by at the carrying value at the time of the acquisition and the operating results of the entities are included in the operating statements of the Company from the earliest period presented.

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The financial information included herein may not necessarily be indicative of the conditions that would have existed or the results of operations had the Company been a separate, stand-alone entity during the periods presented.

2. Summary of Significant Accounting Policies

Development Stage Risk Factors

As a development stage company, the Company has incurred significant costs in connection with its development activities, primarily in the acquisition of land and other assets, and in the design, development, financing and construction of Wynn Las Vegas. The Company has not commenced principal operations and therefore revenues are not significant. Consequently pre-opening costs have created net losses since inception as is customary for a development stage company. Management expects these losses to continue and increase until planned principal operations have begun with the opening of Wynn Las Vegas scheduled for April 2005. However, the Company is subject to risks that may impact its ability to become an operating enterprise or to remain in existence. The Company is subject to many rules and regulations in both the construction and development phases and in operating gaming facilities, including, but not limited to, receiving the appropriate permits for particular construction activities, complying with the provisions of the many covenants imposed by the Company's debt instruments and securing and maintaining a Nevada state gaming license and Clark County, Nevada, gaming and liquor licenses for the ownership and operation of Wynn Las Vegas. Completion of Wynn Las Vegas is dependent upon compliance with these rules and regulations.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in previous consolidated financial statements have been reclassified to conform to the current December 31, 2003 presentation. These reclassifications had no effect on the previously reported net loss.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid investments with a maturity of three months or less. Cash equivalents are carried at cost, which approximates fair value.

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Restricted Cash and Investments

Restricted cash and investments consists of certificates of deposits to collateralize certain construction insurance claims, cash deposits for certain required sales taxes, and certain of the proceeds of the Company's financing activities invested in approved money market funds or government-backed treasury notes and interest-only strips and restricted by the agreements governing the Company's debt instruments for the payment of certain approved construction and development costs relating to Wynn Las Vegas. Amounts classified as current are equal to current construction payables and other accruals also classified as current, some of which are included in due to affiliates in the consolidated balance sheets.

The Company classifies its marketable securities in one of three categories: held-to-maturity, trading or available-for-sale, in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." In accordance with SFAS No. 115, held-to-maturity securities are those securities for which the Company has the ability and intent to hold until maturity. Trading securities are those bought and held principally for the purpose of selling them in the near term. All other securities are classified as available-for-sale. All of the Company's marketable securities are classified as held-to-maturity. Accordingly, these are recorded at cost, adjusted for the amortization of premiums or accretion of discounts. All of the Company's marketable securities at December 31, 2003 mature on or before March 25, 2004. The carrying value of these marketable securities approximates fair value due to their relatively short-term maturities and market rates of interest.

Restricted cash and investments at December 31, 2003 and 2002 also include approximately $2.6 million and $3.8 million, respectively of accrued interest receivable on the marketable securities.

Property and Equipment

During the year ended December 31, 2002, Valvino transferred a portion of the land acquired in connection with its acquisition of the Desert Inn to the Company. The land was transferred at its carrying value of approximately $161.3 million. In addition, approximately $89.9 million of construction in progress was transferred.

Subsequent purchases of property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method as follows:

Airplane	20 years
Furniture, fixtures and equipment	5 to 20 years

The design and development costs for Wynn Las Vegas are capitalized. Costs of building repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of property and equipment retired or otherwise disposed of are eliminated from the respective accounts and any resulting gain or loss is included in operating income or loss.

Capitalized Interest

The Company capitalizes interest costs associated with debt incurred in connection with its major construction projects, including amounts transferred from corporate. Interest capitalization will cease once the project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with such construction projects, the Company capitalizes interest on amounts expended on the project at the Company's weighted average cost of borrowed money. Interest of $87.3 million,

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

$13.5 million and $107.1 million was capitalized for the years ended December 31, 2003, 2002 and for the period from April 21, 2000 (date of inception) to December 31, 2003. No interest was capitalized by the Company in 2001 or 2000, however, construction in progress transferred to the Company included approximately $6.3 million of interest capitalized by Valvino during the period from inception to December 31, 2000.

Intangible Assets

The Company has recorded its trademark at cost and the water rights acquired by Valvino as part of the overall purchase price of the Desert Inn and transferred to the Company during 2003, at appraised value. Radio frequencies, which are included in other assets, are recorded at cost. These intangible assets have indefinite useful lives, and accordingly, are not amortized, but are periodically reviewed for impairment.

Deferred Financing Costs

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest over the terms of the related debt agreements. Approximately $9.2 million, $1.6 million, $0, and $12.3 million was amortized to interest during the years ended December 31, 2003, 2002 and 2001, and for the period from April 21, 2000 (date of inception) to December 31, 2003, respectively.

Components of deferred financing costs as of December 31, 2003 and 2002 are as follows:

	Second Mortgage Notes	Unused Revolving Credit Facility	Unused Term Loan Facility	Partially Drawn FF&E Facility	Total Deferred Financing Costs
			($ amounts in millions)		
Net balance, December 31, 2001:	$ —	$ —	$ —	$ —	$ —
Add: 2002 Financing costs	14.4	26.9	9.1	11.3	61.7
Less: 2002 Amortization	(0.3)	(0.8)	(0.2)	(0.3)	(1.6)
Net balance, December 31, 2002:	14.1	26.1	8.9	11.0	60.1
Add: 2003 Financing costs	—	—	—	—	—
Less: 2003 Amortization	(1.8)	(4.5)	(1.3)	(1.6)	(9.2)
Net balance, December 31, 2003:	$ 12.3	$ 21.6	$ 7.6	$ 9.4	$ 50.9

Accumulated amortization amounted to $12.3 million and $3.1 million as of December 31, 2003 and 2002, respectively.

Long-Lived Assets

Long-lived assets, which are not to be disposed of, including intangibles and property and equipment, are periodically reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. As of December 31, 2003 and 2002, management does not believe any assets have been impaired.

Derivative Financial Instruments

The Company seeks to manage its market risk, including interest rate risk associated with variable rate borrowings, through balancing fixed-rate and variable-rate borrowings and the use of derivative financial

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instruments. The Company accounts for derivative financial instruments in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities”, as amended. Derivative financial instruments are recognized as assets or liabilities, with changes in fair value affecting net income (loss) or comprehensive income (loss) as applicable.

As of December 31, 2003, the Company recorded approximately $8.8 million in other assets to reflect the fair value of its two interest rate swaps, designated as cash flow hedges, entered into in the second quarter of 2003 to hedge the underlying interest rate risk on a total of $825 million of expected future borrowings under its existing Credit Facilities. Because there has been no ineffectiveness in the hedging relationships since the inception of these interest rate swaps, the corresponding change in fair value is reported in other comprehensive income for year ended December 31, 2003.

Revenue Recognition

The Company recognizes revenues on airplane services at the time the service is provided, prices are fixed or determinable and collection is reasonably assured.

Pre-Opening Costs

Pre-opening costs consisting primarily of salaries and wages, legal and consulting fees, insurance, utilities and travel are expensed as incurred.

Incidental Operations

In accordance with SFAS No. 67, “Accounting for Costs and Initial Rental Operations of Real Estate Projects,” the golf course and related operations are being accounted for as incidental operations. Under this method, incidental operations with a net income are excluded from the operating results and the net income is recorded as a reduction in the carrying value of land. Incidental operations with a net loss are stated separately on the consolidated statements of operations.

Comprehensive Income (Loss)

Comprehensive income (loss) is a broad concept of an enterprise’s financial performance that includes all changes in equity during a period that arise from transactions and economic events from nonowner sources. Comprehensive income (loss) is net income (loss) plus “other comprehensive income (loss),” which consists of revenues, expenses, gains and losses that do not affect net income under accounting principles generally accepted in the United States of America. Other comprehensive income (loss) for the Company reflects the change in the fair value of interest rate swaps while the accumulated other comprehensive income reflected on the balance sheet consists of the cumulative adjustment to the fair value of the Company’s interest rate swaps.

Income Taxes

The Company reports its operations on the consolidated tax return of Wynn Resorts. As a limited-liability company, the Company is classified as a partnership for federal income tax purposes. Accordingly, no provision has been made for federal income taxes as such taxes are liabilities of its member.

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Wynn Resorts' Equity Instruments Issued to Employees and Consultants of the Company

The Company applies the provisions of Emerging Issues Task Force ("EITF") 00-23, "Options Granted to Employees of Entities under Common Control" and records the cost of equity instruments granted by Wynn Resorts to employees of the Company in the Company's consolidated financial statements as a capital contribution. See footnote 6 for further discussion on Wynn Resorts' stock-based compensation plans.

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of EITF 96-18 "Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services" and EITF 00-18 "Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees". The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

As permitted by SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure, an amendment of FASB Statement No. 123," the Company continues to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for its employee stock-based compensation. Accordingly, compensation expense is recognized only to the extent that the market value at the date of grant exceeds the exercise price. The following table illustrates the effect on the net loss if the Company had applied the fair-value recognition provisions of SFAS No. 123 to stock-based employee compensation (amounts in thousands).

	Years Ended December 31,			Period from Inception to December 31, 2003
	2003	2002	2001	
Net loss as reported	$(15,973)	$(4,833)	$(1,704)	$ (23,973)
Less: total stock-based employee compensation determined under fair-value based method for all awards	(997)	(8)	—	(1,005)
Pro forma net loss	$(16,970)	$(4,841)	$(1,704)	$ (24,978)

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 prohibits the pooling of interests method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142, which was effective for the Company as of January 1, 2002, requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing intangibles as goodwill, reassessment of the useful lives of existing intangibles and ongoing assessments of potential impairment of existing goodwill. As of December 31, 2001, the Company had no goodwill but did have intangible assets consisting of trademarks and water rights with indefinite useful lives. Accordingly, the adoption of this statement on January 1, 2002 did not have a material impact on the Company's consolidated financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived

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assets and the associated asset retirement costs. This Statement applies to legal obligations associated with the retirement of certain obligations of lessees. This Statement is effective for fiscal years beginning after June 15, 2002. The Company’s adoption of SFAS No. 143 on January 1, 2003 did not have a material impact on the Company’s consolidated financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.” The provisions of this Statement are effective for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 144 on January 1, 2002 with no material impact on the Company’s consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, “Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections.” Among other things, this statement rescinds SFAS No. 4, “Reporting Gains and Losses from Extinguishment of Debt,” which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. As a result, the criteria in APB Opinion No. 30, “Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions,” are used to classify those gains and losses. The Company’s adoption of this statement did not have a material impact on its consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” SFAS No.146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).” SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. A fundamental conclusion reached by the FASB in this statement is that an entity’s commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. The Company’s adoption of this statement did not have a material impact on its consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation (“FIN”) No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34.” FIN No. 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued, and requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. A fundamental conclusion reached by the FASB in this interpretation is the exclusion from the liability recognition provisions of guarantees issued between entities under common control or parent or subsidiary guarantees of third party debt on behalf of that parent or subsidiary. Such guarantees, however, are not excluded from the enhanced disclosure provisions. The initial recognition and measurement provisions of FIN No. 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, however the disclosure provisions are effective for financial statements of interim or annual periods ending after December 15, 2002. As a result, the Company adopted the disclosure provisions of FIN No. 45 for its 2002 annual consolidated financial statements, which had no material impact. The Company’s subsequent adoption of the recognition and measurement provisions on January 1, 2003, also did not have a material impact upon its consolidated financial position or results of operations.

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In December 2002, the FASB issued SFAS No. 148, “Accounting for Stock-Based Compensation—Transition and Disclosure, an amendment of FASB Statement No. 123.” SFAS No.148 amends SFAS No. 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 permits companies to continue to apply the intrinsic value based method of accounting for stock-based employee compensation as provided for in Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” however it requires that companies that elect to do so, provide specific tabular pro forma disclosures required by SFAS No. 123 in the Summary of Significant Accounting Policies. In addition, SFAS No.148 requires these disclosures in financial reports for interim periods. The Company continues to apply the intrinsic value based method of accounting for stock-based employee compensation as allowed by SFAS No. 148, and therefore adoption of this statement did not have a material impact upon its consolidated financial position or results of operations. However, the Company has provided the required disclosures for the accompanying consolidated financial statements.

In April 2003, the FASB issued SFAS No. 149, “Amendment of Statement 133 on Derivative Instruments and Hedging Activities.” This statement amends and clarifies financial accounting and reporting for derivative instruments and hedging activities under SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities”, by requiring that contracts with comparable characteristics be accounted for similarly to result in more consistent reporting of contracts as either derivatives or hybrid instruments. This statement was effective for contracts entered into or modified after June 30, 2003. The Company adopted SFAS No. 149 on July 1, 2003 with no material impact on the Company’s consolidated financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.” This statement establishes standards for an issuer’s classification and measurement of certain financial instruments with characteristics of both liabilities and equity and requires that such financial instruments generally be classified as a liability as those instruments embody obligations of the issuer. This statement was effective for financial instruments entered into or modified after May 31, 2003, and was otherwise effective for most financial instruments included in the scope of the standard beginning the interim period beginning after June 15, 2003. The Company’s adoption of SFAS No. 150 on July 1, 2003, had no material impact upon its consolidated financial position or results of operations.

In January 2003, the Financial Accounting Standards Board (FASB) issued FIN 46 (revised December 2003), “Consolidation of Variable Interest Entities” (VIEs). FIN 46 clarifies the application of Accounting Research Bulletin 51, “Consolidated Financial Statements,” and establishes standards for determining under what circumstances VIEs should be consolidated with their primary beneficiary, including those to which the usual condition for consolidation does not apply. FIN 46 also requires disclosures about unconsolidated VIEs in which the Company has a significant variable interest. The consolidation requirements of FIN 46 apply immediately to VIEs created after December 31, 2003. The consolidation requirements apply to older entities in the first period ending after March 15, 2004. Certain disclosure requirements apply to all financial statements issued after December 31, 2003. The application of FIN 46 has not and is not expected to have a material impact on the Company financial position or results of operations.

3. Related Party Transactions

The Company periodically incurs costs on behalf of certain officers of the Company and its affiliates, including costs with respect to personal use of the corporate aircraft. In the past, these balances were settled at regular intervals, usually monthly. In August 2002, the Company terminated the arrangements pursuant to which costs were incurred and later reimbursed. As of December 31, 2003 and 2002 certain officers have amounts on deposit to prepay any such items. These deposits are replenished on an ongoing basis as needed for the officers to maintain a credit.

For the period from inception through December 31, 2002, the accompanying statements of operations include allocations from Valvino or Wynn Resorts, its successor, for legal, accounting, human resource, information services, real estate, or other corporate support services. The corporate support service allocations have been determined on a basis that Wynn Resorts or Valvino and the Company consider to be reasonable estimates of the utilization of service provided or the benefit received by the Company. The allocation methods include specific identification, relative cost, square footage and headcount. Allocated costs are reflected in pre-opening costs and amounted to approximately $120,000, $239,000, $196,000 and $555,000 for the years ended December 31, 2003, 2002 and 2001, and for the period from inception to December 31, 2003, respectively. During 2003 and 2002, the Company also transferred the salary cost of an officer dedicated to Wynn Resorts' development opportunity in the Macau Special Administrative Region of the People's Republic of China amounting to approximately $312,000 and $153,000, respectively, to an affiliate.

In addition to the contributions of Las Vegas Jet and World Travel, during 2002, Wynn Resorts and Valvino transferred assets, including the proceeds from Wynn Resorts' initial public offering and initial cash contributions, directly to the Company. Certain water rights for the Wynn Las Vegas lake were also transferred in 2003. These transfers and the allocations noted above and amounts due to Wynn Design & Development, LLC for current construction payables and retentions are the primary components of the amounts due to related parties in the accompanying balance sheets as of December 31, 2003 and 2002. Due to affiliates are classified as long-term unless such amounts are contractually obligated to be paid within one year.

4. Property and Equipment

Property and equipment as of December 31, 2003 and 2002 consist of the following (in thousands):

	2003	2002
Land	$161,880	$161,880
Buildings and improvements	—	—
Parking garage	—	—
Airplane	38,000	38,000
Furniture, fixtures and equipment	2,058	306
Construction in progress	565,230	89,893
	767,168	290,079
Less: accumulated depreciation	(3,914)	(1,794)
	$763,254	$288,285

Construction in progress includes interest and other costs capitalized in conjunction with the new resort casino/hotel project.

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5. Long-Term Debt

Long-term debt as of December 31, 2003 and 2002 consists of the following (amounts in thousands):

	2003	2002
12 % Second Mortgage Notes, net of original issue discount of approximately $22.8 million and $26.1 million, respectively due November 1, 2010; effective interest at 12.9%	$ 347,220	$ 343,900
$188.5 million FF&E Facility; interest at LIBOR plus 4% (approximately 5.2% and 5.4%, respectively)	38,000	38,000
	385,220	381,900
Current portion of long-term debt	—	—
	$ 385,220	$ 381,900

Second Mortgage Notes

On October 30, 2002, Wynn Las Vegas and Wynn Capital (collectively, the “Issuers”), issued $370 million aggregate principal amount of 12% second mortgage notes (the “Notes”) maturing November 1, 2010 with semi-annual interest payments beginning in May 2003. The Notes are unconditionally guaranteed by the Company’s subsidiaries excluding Wynn Completion Guarantor, by Wynn Resorts as the ultimate parent company, and by certain of the Company’s other affiliates. The Notes are secured by a first priority security interest in the net proceeds of the offering and a second priority security interest in substantially all the assets of the Issuers, their subsidiaries, and certain restricted affiliates of the Company. The Notes rank senior in right of payment to all of the Issuers’ existing and future subordinated indebtedness. In addition, the Notes contain certain affirmative and negative covenants applicable to the Issuers, their subsidiaries and the restricted entities, including limitations on additional indebtedness, declarations of dividends, issuance of preferred stock and equity interests of wholly-owned subsidiaries, certain payments or investments, golf course and Phase II land development, transactions with affiliates, asset sales, sale-leaseback transactions, and various other restrictions as defined in the indenture. While Wynn Resorts is not subject to a majority of the restrictive covenants in the Indenture, pursuant to the terms of its parent guaranty, if it grants specified liens to secure other guarantees or indebtedness it will be required to grant pari passu liens on the same assets to secure its parent guaranty of the Notes. As of December 31, 2003, the Company is in compliance with all such covenants.

The Notes were issued on October 30, 2002, for proceeds of approximately $343.3 million, net of an original issue discount of approximately $26.7 million. The proceeds were further reduced by approximately $10.1 million of underwriting discounts and commissions and approximately $4.3 million of legal and professional expenses, all of which are capitalized and amortized over the term of the Notes using the effective interest method. Net proceeds were approximately $328.9 million and have been and will continue to be used to finance the development and construction of Wynn Las Vegas, to pay pre-opening expenses and meet debt service obligations.

Other than mandatory redemption required by gaming authorities resulting from unsuitable persons, the Issuers will not be required to make mandatory redemption or sinking fund payments. However, if a change of control occurs, the holders of the Notes may require the Issuers to repurchase all or part of the Notes at 101% of the principal amount, plus accrued interest. In addition, after November 1, 2006, the Issuers may elect to redeem

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all or part of the Notes at the redemption prices below, plus accrued interest on the redemption date, if redeemed during the twelve-month period beginning on November 1 of the years below:

Year	Percentage
2006	112%
2007	108%
2008	104%
2009 and thereafter	100%

Credit Facilities

Effective October 30, 2002, Wynn Las Vegas entered into a $750 million senior secured revolving credit facility (the “Revolver”) and a $250 million delay draw senior secured term loan facility (the “Term Loan”, and together with the Revolver, the “Credit Facilities”) for additional construction financing for Wynn Las Vegas. The Credit Facilities are guaranteed by the Company’s subsidiaries excluding Wynn Completion Guarantee, by Wynn Resorts as the ultimate parent company, and by certain of the Company’s other affiliates. The Credit Facilities are also secured by a first priority security interest in a $30.0 million liquidity reserve account as further described below, a first priority pledge of all equity interests in, and a first priority security interest in substantially all the assets of Wynn Las Vegas and its subsidiaries, excluding Wynn Completion Guarantee, certain restricted affiliates of the Company, first mortgages on all real property constituting Wynn Las Vegas, and a second priority security interest on the furniture, fixtures and equipment securing the FF&E facility described below. While Wynn Resorts is not subject to a majority of the restrictive covenants, pursuant to the terms of its parent guaranty, if it grants specified liens to secure other guarantees or indebtedness it will be required to grant pari passu liens on the same assets to secure its parent guaranty of the Notes.

The Revolver and the Term Loan mature in October 2008 and October 2009, respectively. Prior to the opening of Wynn Las Vegas, annual interest is charged on outstanding borrowings at the London Interbank Offered Rate (“LIBOR”) plus 4% on the Revolver and LIBOR plus 5.5% on the Term loan. Subsequent to the opening of Wynn Las Vegas, the rates will be adjusted based upon a leverage ratio. In addition, the Revolver will require quarterly payments on the unused available borrowings at an annual rate of 2%, while the Term Loan will require quarterly payments at an annual rate of 2.5% through December 31, 2002, 3% from January 1, 2003 to June 30, 2003 and 4% thereafter.

When borrowings outstanding under the Revolver equal or exceed $200 million, lead arrangers holding a majority of the commitments will have the right to convert $100 million to $400 million of the amounts outstanding to term loans with the same terms and conditions as those made under Term Loan facility.

The Term Loan provides for draws of funds under one or more term loans no more frequently than once per month for 27 months after the closing. Once repaid, term loans may not be reborrowed.

The Issuers and guarantors are required to comply with several affirmative and negative covenants, including limitations on additional indebtedness, guarantees, dividends, transactions with affiliates, capital expenditures, asset sales and others. There are also several financial covenants including the maintenance of a minimum fixed charge coverage ratio, minimum earnings before interest, taxes, depreciation and amortization (“EBITDA”), total debt to EBITDA and net worth. As of December 31, 2003, the Company is in compliance with all such covenants.

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FF&E Facility

Effective October 30, 2002, Wynn Las Vegas entered into a $188.5 million FF&E facility (the “FF&E Facility”) to provide financing and refinancing for furniture, fixtures and equipment to be used at Wynn Las Vegas. The proceeds from the FF&E facility may also be used to refinance a replacement corporate aircraft, in which case, Wynn Las Vegas would request the FF&E lenders to increase the total commitment under the FF&E facility by $10 million to $198.5 million.

In connection with the acquisitions of World Travel, LLC and Las Vegas Jet, LLC, the Company partially financed the purchase of a private jet aircraft for $38.0 million with the issuance of a note payable for $28.5 million collateralized by the aircraft. In November 2002, the Company withdrew $38.0 million against the FF&E Facility to repay the note payable secured by the aircraft acquired in connection with the acquisition of World Travel, LLC. The unused portion of the draw, amounting to approximately $9.5 million, will be used for construction of Wynn Las Vegas.

The FF&E Facility is guaranteed by the same guarantors as the Credit Facilities, on a senior unsecured basis, matures in October 2009, and has substantially the same interest rates and elections as the Revolver discussed above.

Disbursement Agreement

The Company has entered into an agreement (the “Disbursement Agreement”) with Deutsche Bank Trust Company Americas, as the bank agent and disbursement agent, Wells Fargo Bank, National Association, as the second mortgage note trustee, and Wells Fargo Bank Nevada, National Association as the FF&E agent, which sets forth the Company’s material obligations to construct and complete Wynn Las Vegas, establishes a line-item budget and schedule for its construction and establishes the conditions to, and the relative sequencing of, the making of disbursements from the proceeds of the Notes, the Credit Facilities and the FF&E Facility. The Disbursement Agreement restricts the Company’s use of the proceeds of the Notes, the Credit Facilities and the FF&E Facility to only project costs related to Wynn Las Vegas and, subject to certain limitations, corporate overhead and related costs.

In order to facilitate the funding of disbursements in accordance with the Disbursement Agreement, the Company established certain accounts including, but not limited to, the Completion Guarantee Deposit Account and the Liquidity Reserve Account discussed in further detail below, which are pledged to the lenders under the Credit Facilities and, with respect to the secured account holding the proceeds of the Notes, the holders of the Notes. Prior to borrowing any amounts under the Credit Facilities or the FF&E Facility or receiving any disbursements from the secured account holding the proceeds of the Notes, the Company is required to use a substantial portion of the equity offering proceeds and other available funds to commence construction of Wynn Las Vegas. At that point the proceeds of the Notes, other than amounts sufficient to pay interest, will be used; followed thereafter by the proceeds of the Credit Facilities and the FF&E Facility. However, as a condition to borrowing amounts under the Credit Facilities or the FF&E Facility or receiving any disbursements from the secured account holding the proceeds of the Notes, the Company is required to submit evidence acceptable to the third-party construction consultant that construction of Wynn Las Vegas has been completed to that point in accordance with the plans and specifications, on budget and on schedule.

Completion Guarantee and Liquidity Reserve

Wynn Resorts contributed $50 million of the net proceeds of the equity offering to Wynn Completion Guarantee to secure completion of Wynn Las Vegas. The funds were deposited into a required escrow

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Completion Guarantee Deposit Account. These funds will gradually be available to apply to the cost of the project, commencing after 50% of the construction work has been completed. After completion of Wynn Las Vegas, any remaining amounts will be released to the Company.

In addition, the Company deposited $30.0 million from the net proceeds of the equity offering into a required escrow Liquidity Reserve Account to secure the completion and opening of Wynn Las Vegas. The lenders under the Credit Facilities have a first priority security interest and the holders of the Notes have a perfected second priority security interest in the funds. These funds will gradually be available to apply to the cost of the project, commencing after 50% of the construction work has been completed. Any amounts remaining upon completion will be used for debt service under the Credit Facilities and the Notes, and if consolidated EBITDA levels permit, the Revolver.

Fair Value of Long-term Debt

The net book value of the Notes at December 31, 2003 was approximately $347.2 million. The estimated fair value of the Notes based upon most recent trades at December 31, 2003 was approximately $440.3 million. The net book value of the Company's borrowings under the FF&E Facility of $38 million approximates its fair value due to its floating market rate of interest.

Scheduled maturities of long-term debt are as follows (amounts in thousands):

Years Ending December 31,	
2004	$ —
2005	2,375
2006	9,500
2007	9,500
2008	9,500
Thereafter	377,125
	408,000
Less: original issue discount	(22,780)
	$385,220

6. Benefit Plans

Employee Savings Plan

Non-union employees of the Company are entitled to participate in a retirement savings plan under Section 401(k) of the Internal Revenue Code established by Valvino on July 27, 2000. The plan allows employees to defer, within prescribed limits, up to 18% of their income on a pre-tax basis through contributions to this plan. The Company matches the contributions, within prescribed limits, with an amount equal to 100% of the participant's initial 2% tax deferred contribution and 50% of the tax deferred contribution between 2% and 4% of the participant's compensation. The Company recorded charges for matching contributions of approximately $90,000, $31,000, $14,000 and $140,000 for the years ended December 31, 2003, 2002 and 2001, and for the period from inception to December 31, 2003, respectively.

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Stock Based Compensation Plan

Wynn Resorts established the 2002 Stock Incentive Plan (the “Stock Plan”) which provides for the grant of (i) Incentive Stock Options (“ISO”), (ii) compensatory (i.e. non qualified) stock options (“NQSO”), and (iii)restricted shares of Wynn Resorts’ common stock for employees, directors and independent contractors or consultants of Wynn Resorts and its subsidiaries, including the Company. However, only employees are eligible to receive incentive stock options.

A maximum of 9,750,000 shares of Wynn Resorts’ common stock has been reserved for issuance under the Stock Plan. Options are granted at the current market price at the date of grant. The Stock Plan provides for a variety of vesting schedules, including immediate, twenty-five percent after two years and 25% each year for the next 3 years thereafter, cliff vest at the vesting date, and others to be determined at the time of grant. All options expire ten years from the date of grant.

The Stock Plan will terminate ten years from the date of adoption, unless terminated earlier by Wynn Resorts’ Board of Directors, and no options or restricted shares may be granted under the Stock Plan after such date.

During 2002 and 2003 a number of persons currently employed by the Company were each granted various numbers of options for shares of Wynn Resorts’ common stock at the market price on the dates of the respective grants. Total options outstanding at December 31, 2003 and 2002 were 887,500 options and 275,000 options, respectively.

7. Commitments and Contingencies

Construction Contracts

The Company entered into an agreement with a construction contractor for guaranteed maximum price construction services, effective as of June 4, 2002 and subsequently amended (as amended, the “Construction Agreement”). The Construction Agreement currently covers approximately $928.1 million of the approximate $1.4 billion budgeted cost to construct Wynn Las Vegas, subject to increases based on, among other items, changes in the scope of the work. The Construction Agreement provides that the guaranteed maximum price will be increased and the deadline for the completion of construction extended on account of certain circumstances. The guaranteed maximum price also currently provides for an “owner contingency” of approximately $7.4 million to cover various items, including delays and scope changes resulting from the Company’s actions.

Effective June 6, 2002, the Company also entered into an agreement with a construction contractor for the design and construction of a parking structure for a maximum cost of $9.9 million, subject to specified exceptions. In addition, effective February 18, 2003 the Company entered into an agreement with a construction contractor for the construction of the golf course for a maximum cost of $16.5 million. Other construction contracts and committed construction purchase orders at December 31, 2003, totaled approximately $271.4 million. As a result, a total of approximately $1.2 billion has been committed to the construction of Wynn Las Vegas as of December 31, 2003. Of this amount, approximately $302.5 million has been spent through December 31, 2003. Future committed costs at December 31, 2003, under the Wynn Las Vegas construction contracts, therefore, total approximately $770.5 million.

Leases

In the fourth quarter of 2003, the Company entered into arrangements to lease five retail outlets commencing with the opening of Wynn Las Vegas. In connection with these leases, the Company has provided some of the retail tenants an allowance for improvements as part of the lease arrangements. These improvement allowances are included in the budgeted costs to construct Wynn Las Vegas. The revenues from these leases are not expected to be material in relation to the revenues and operations of Wynn Las Vegas.

Entertainment Services

The Company has entered into long-term agreements with a creative production company and its affiliated production services company for the licensing, creation, development and executive production of the Show at Wynn Las Vegas, whereby the Company is required to pay certain up-front creation and licensing fees, pay production costs and, upon opening of the production, pay a royalty of 10% of net ticket revenues and retail sales and 50% of the Show and retail profits to the production company as calculated in accordance with the terms of the agreements. The term of each of the agreements is ten years after the opening date of the Show, which will coincide with the opening of Wynn Las Vegas, with one five-year renewal option.

The Company also has an option with respect to the development of a second production for Wynn Las Vegas or for another project. The exercise of the option will require the payment of an additional $1 million and any additional project will require additional funds to develop.

At December 31, 2003 and 2002, other assets include approximately $8.7 million and $4.8 million respectively, of amounts paid for creation and development costs in conjunction with the agreement.

Self-insurance

The Company is self-insured for medical and workers’ compensation up to a maximum of $40,000 per year for each insured person under the medical plan and $250,000 for each workers’ compensation claim. Amounts in excess of these thresholds are covered by the Company’s insurance programs.

Employment Agreements

The Company has entered into employment agreements with several executive officers, other members of management and certain key employees. These agreements generally have three to five year terms and typically indicate a base salary with specified annual increases, and often contain provisions for guaranteed bonuses. Certain of the executives are also entitled to a separation payment if terminated without “cause” or upon voluntary termination of employment for “good reason” following a “change of control” (as these terms are defined in the employment contracts). These separation payments are generally the base salary of the remaining term of the employment contract plus foregone bonuses and certain other payments. At December 31, 2003, the total contractual commitment under these employment contracts is estimated to be approximately $35 million over the next five years.

Litigation

The Company is a party to various lawsuits relating to routine matters incidental to its business. As with all litigation, no assurance can be provided as to the outcome of the following matters and we note that litigation inherently involves significant costs.

Valvino has recently been involved in litigation related to its ownership and development of the former Desert Inn golf course and the residential lots around the golf course. Valvino acquired some, but not all, of the residential lots located in the interior of and around the former Desert Inn golf course when it acquired the former Desert Inn Resort & Casino from Starwood Hotels & Resorts Worldwide, Inc. In total, Valvino acquired 63 of the 75 residential lots, with Clark County having acquired two of the lots through eminent domain in 1994 as part of the widening of Desert Inn Road. The residential lots, previously known collectively as the Desert Inn Country Club Estates, were subject to various conditions, covenants and restrictions ("CC&R's") recorded against the lots in 1956 and amended from time to time since then.

On October 31, 2000, Ms. Stephanie Swain, as trustee of the Mark Swain Revocable Trust, filed an action in Clark County District Court against Valvino and the then directors of the Desert Inn Country Club Estates Homeowners' Association. Subsequently, the other nine remaining homeowners were joined in this lawsuit and asserted claims against Valvino. The plaintiffs sought various forms of declaratory relief concerning the continued existence and governance of the homeowners' association. In addition, the plaintiffs challenged the termination in June 2001 of the CC&R's recorded against the residential lots. The plaintiffs also made various claims with respect to easement rights, including rights of access to the golf course and interior and perimeter roadways, maintenance of a golf course view, prohibition of commercial development of the golf course and trespass. In response Valvino asserted claims for damages based upon a number of legal theories, including abuse of process. Two subsequent actions were filed, one by Ms. Swain against certain homeowners' association officers and directors and one by Valvino seeking declaratory and injunctive relief similar to the original action. Because the issues in the subsequent actions are present in the original action, both of the subsequent actions were stayed pending the outcome of the original action.

During pretrial proceedings, the court entered several preliminary injunction orders concerning the parties' respective property rights. Among other things, the court ordered that Valvino was free to develop the golf course and the remainder of its property as it deems fit, subject to all applicable legal restraints. The court also permitted construction of Wynn Las Vegas' utilities in part of the perimeter roadway, resulting in temporary closure of one of three access gates for the plaintiffs and has also permitted Wynn Las Vegas to begin construction of a golf course maintenance facility on some of the former residential lots. To date, the litigation has not resulted in any material interference with our development of the Wynn Las Vegas resort.

Just prior to trial, the court also ruled on various motions for summary judgment brought by the parties. Ms. Swain's and the other homeowners' claims that the CC&R's and the homeowners' association were not properly terminated were dismissed, together with many of their other claims, including the claim purporting to restrict future redevelopment of the golf course. Similarly, all of the Company's damages claims against the homeowners, including for abuse of process and intentional interference with contract rights, were dismissed.

A bench trial was held in November 2003 with respect to some of the plaintiffs' remaining claims, with the court postponing for a second phase of the trial other of the remaining claims, in particular their trespass claims. On November 25, 2003, the court issued a written decision, holding that the homeowners have no right to enter upon the golf course but do have the right to use a perimeter roadway for entrance and exit purposes. The court directed that the Company need not reinstall the roadway to its original location and dimensions, as the homeowners requested, but that the Company should reinstall the roadway substantially in the manner described in the Company's existing construction plans for that portion of the Project. In addition, while the court held that the plaintiffs had not been granted an express easement to maintain their view of the golf course property, it did find that they have express rights to views that are not architecturally shut out from the aura of the golf course. The court noted that the issue of whether or not the plaintiffs' rights to views that are not architecturally shut out from the aura of the golf course had been infringed would be decided with the other remaining claims at a later trial.

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Several of the homeowners also filed two separate actions seeking judicial review and/or a petition for a writ of mandamus and/or prohibition against Clark County and the Clark County Commissioners in Clark County District Court. One action concerns the Clark County Planning Commission's approval of Valvino's application for a use permit, and a related roadway dedication agreement between Clark County and Valvino. The other action concerns the Clark County Planning Commission's approval of Valvino's application for design review of the golf course maintenance facility.

On February 23, 2004, Valvino reached a settlement with all of the plaintiffs with respect to all of the claims described above. The settlement provides that Valvino or its designee will pay $23 million in exchange for the 10 remaining residences and dismissal by the plaintiffs with prejudice of all of the actions. The settlement is subject to customary conditions for real estate acquisitions in Nevada.

8. Consolidating Financial Information of Guarantors and Issuers

The following consolidating financial statements present information related to the Issuers of the Notes and their subsidiary guarantors (World Travel and Las Vegas Jet) and non-guarantors (Wynn Completion Guarantor and Wynn Show Performers, LLC) as of December 31, 2003 and 2002 and for the years ended December 31, 2003, 2002 and 2001 and for the period from inception to December 31, 2003.

The following consolidating financial statements are presented in the provided form because: (i) the guarantors are wholly owned subsidiaries of the Issuers; (ii) the guarantees are considered to be full and unconditional, that is, if the issuers fail to make a scheduled payment, the guarantors are obligated to make the scheduled payment immediately and, if they don't, any holder of the Notes may immediately bring suit directly against the guarantors for payment of all amounts due and payable; and (iii) the guarantees are joint and several.

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 18,236	$ (2)	$ —	$ —	$ 18,234
Restricted cash and investments	58,312	—	—	—	58,312
Receivables, net	11	—	—	—	11
Prepaid expenses	247	319	—	—	566
Total current assets	76,806	317	—	—	77,123
Restricted cash and investments	247,508	—	50,321	—	297,829
Property and equipment, net	728,663	34,591	—	—	763,254
Water rights	256	—	—	—	256
Trademark	1,000	—	—	—	1,000
Deferred financing costs	50,972	—	—	—	50,972
Investment in subsidiaries	8,040	—	—	(8,040)	—
Other assets	18,745	4	—	—	18,749
Total assets	$1,131,990	$ 34,912	$ 50,321	$ (8,040)	$1,209,183
LIABILITIES AND MEMBER’S EQUITY					
Current liabilities:					
Accounts and construction payables	$ 562	$ —	$ —	$ —	$ 562
Accrued interest	9,438	—	—	—	9,438
Accrued compensation and benefits.	875	38	—	—	913
Other accrued expenses	173	1	—	—	174
Due to affiliates	48,874	—	—	—	48,874
Total current liabilities	59,922	39	—	—	59,961
Long-term debt	385,220	—	—	—	385,220
Due to affiliates	464,953	27,650	49,504	—	542,107
Total liabilities	910,095	27,689	49,504	—	987,288
Commitments and contingencies					
Member’s equity:					
Contributed capital	237,075	11,925	—	(11,925)	237,075
Accumulated other comprehensive income	8,793	—	—	—	8,793
Deficit accumulated from inception during the development stage	(23,973)	(4,702)	817	3,885	(23,973)
Total member’s equity	221,895	7,223	817	(8,040)	221,895
Total liabilities and member’s equity	$1,131,990	$ 34,912	$ 50,321	$ (8,040)	$1,209,183

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF DECEMBER 31, 2002
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 7,508	$ (9)	$ —	$ —	$ 7,499
Receivables, net	11	16	—	—	27
Prepaid expenses	94	300	—	—	394
Total current assets	7,613	307	—	—	7,920
Restricted cash and investments	742,605	—	50,124	—	792,729
Property and equipment, net	251,882	36,403	—	—	288,285
Trademark	1,000	—	—	—	1,000
Deferred financing costs	60,159	—	—	—	60,159
Investment in subsidiaries	8,684	—	—	(8,684)	—
Other assets	5,599	18	—	—	5,617
Total assets	$1,077,542	$ 36,728	$ 50,124	$ (8,684)	$1,155,710
LIABILITIES AND MEMBER'S EQUITY					
Current liabilities:					
Accounts and construction payables	$ 3,091	$ 4	$ —	$ —	$ 3,095
Accrued interest	8,159	—	—	—	8,159
Accrued compensation and benefits.	258	—	—	—	258
Other accrued expenses	131	43	—	—	174
Total current liabilities	11,639	47	—	—	11,686
Long-term debt	381,900	—	—	—	381,900
Due to affiliates	454,928	28,121	50,000	—	533,049
Total liabilities	848,467	28,168	50,000	—	926,635
Commitments and contingencies					
Member's equity:					
Contributed capital	237,075	11,925	—	(11,925)	237,075
Deficit accumulated from inception during the development stage	(8,000)	(3,365)	124	3,241	(8,000)
Total member's equity	229,075	8,560	124	(8,684)	229,075
Total liabilities and member's equity	$1,077,542	$ 36,728	$ 50,124	$ (8,684)	$1,155,710

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminating Entries	Total
Airplane revenues	$ —	$ 3,231	$ —	$ (731)	$ 2,500
Expenses:					
Pre-opening costs	17,038	2,623	7	(731)	18,937
Depreciation and amortization	174	1,945	—	—	2,119
Loss on sale of assets	—	—	—	—	—
Loss from incidental operations	425	—	—	—	425
Total expenses	17,637	4,568	7	(731)	21,481
Operating loss	(17,637)	(1,337)	(7)	—	(18,981)
Other income (expense):					
Interest expense, net	(5,048)	—	—	—	(5,048)
Interest income	7,356	—	700	—	8,056
Equity in loss from subsidiaries	(644)	—	—	644	—
Other income (expense), net	1,664	—	700	644	3,008
Net income (loss) accumulated during the development stage	$(15,973)	$ (1,337)	$ 693	$ 644	$(15,973)

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED DECEMBER 31, 2002
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ 3,455	$ —	$ (756)	$ 2,699
Expenses:					
Pre-opening costs	4,533	1,880	—	(756)	5,657
Depreciation and amortization	9	1,762	—	—	1,771
Loss on sale of assets	—	33	—	—	33
Loss from incidental operations	93	—	—	—	93
Total expenses	4,635	3,675	—	(756)	7,554
Operating loss	(4,635)	(220)	—	—	(4,855)
Other income (expense):					
Interest expense, net	(1,015)	(857)	—	—	(1,872)
Interest income	1,770	—	124	—	1,894
Equity in loss from subsidiaries	(953)	—	—	953	—
Other income (expense), net	(198)	(857)	124	953	22
Net income (loss) accumulated during the development stage	$(4,833)	$ (1,077)	$ 124	$ 953	$(4,833)

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
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CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
YEAR ENDED DECEMBER 31, 2001
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ 2,006	$ —	$ (10)	$ 1,996
Expenses:					
Pre-opening costs	879	2,829	—	(10)	3,698
Depreciation and amortization	—	2	—	—	2
Total expenses	879	2,831	—	(10)	3,700
Operating loss	(879)	(825)	—	—	(1,704)
Other income (expense):					
Equity in loss from subsidiaries	(825)	—	—	825	—
Other income (expense), net	(825)	—	—	825	—
Net loss accumulated during the development stage	$(1,704)	$ (825)	$ —	$ 825	$(1,704)

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
PERIOD FROM INCEPTION TO DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminating Entries	Total
Airplane revenues	$ —	$ 9,281	$ —	$ (1,548)	$ 7,733
Expenses:					
Pre-opening costs	22,450	9,384	7	(1,548)	30,293
Depreciation and amortization	183	3,709	—	—	3,892
Loss on sale of assets	—	33	—	—	33
Loss from incidental operations	518	—	—	—	518
Total expenses	23,151	13,126	7	(1,548)	34,736
Operating loss	(23,151)	(3,845)	(7)	—	(27,003)
Other income (expense):					
Interest expense, net	(6,063)	(857)	—	—	(6,920)
Interest income	9,126	—	824	—	9,950
Equity in loss from subsidiaries	(3,885)	—	—	3,885	—
Other income (expense), net	(822)	(857)	824	3,885	3,030
Net income (loss) accumulated during the development stage	$(23,973)	$ (4,702)	$ 817	$ 3,885	$(23,973)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (15,973)	$ (1,337)	$ 693	$ 644	$ (15,973)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	174	1,945	—	—	2,119
Amortization of deferred financing costs and OID	12,507	—	—	—	12,507
Equity in loss from subsidiaries	644	—	—	(644)	—
Loss on sale of assets	—	—	—	—	—
Increase (decrease) in cash from changes in:					
Receivables, net	—	16	—	—	16
Inventories and prepaid expenses	(153)	(19)	—	—	(172)
Accounts payable and accrued expenses	(591)	(4)	—	—	(595)
Total adjustments	12,581	1,938	—	(644)	13,875
Net cash provided by (used in) operating activities	(3,392)	601	693	—	(2,098)
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(408,882)	(132)	—	—	(409,014)
Restricted cash and Investments	436,785	—	(197)	—	436,588
Other assets	(4,353)	14	—	—	(4,339)
Due from related parties	(9,430)	(476)	(496)	—	(10,402)
Net cash provided by (used in) investing activities	14,120	(594)	(693)	—	12,833
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	10,728	7	—	—	10,735
Balance, beginning of period	7,508	(9)	—	—	7,499
Balance, end of period	$ 18,236	$ (2)	$ —	$ —	$ 18,234

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2002
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiary	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (4,833)	$ (1,077)	$ 124	$ 953	$ (4,833)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	9	1,762	—	—	1,771
Loss on sale of assets	—	33	—	—	33
Equity in loss from subsidiaries.	953	—	—	(953)	—
Increase (decrease) in cash from changes in:					
Receivables, net	(11)	(16)	—	—	(27)
Prepaid expenses	(94)	(174)	—	—	(268)
Accounts payable and accrued expenses	11,504	1	—	—	11,505
Total adjustments	12,361	1,606	—	(953)	13,014
Net cash provided by operating activities	7,528	529	124	—	8,181
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(31,693)	(34,311)	—	—	(66,004)
Restricted cash and Investments	(742,105)	—	(50,124)	—	(792,229)
Investment in subsidiaries	(11,925)	—	—	11,925	—
Other assets	(5,347)	(13)	—	—	(5,360)
Due from related parties	234,376	21,861	50,000	—	306,237
Net cash used in investing activities	(556,694)	(12,463)	(124)	11,925	(557,356)
Cash flows from financing activities:					
Equity contributions	237,075	11,925	—	(11,925)	237,075
Deferred financing costs	(61,735)	—	—	—	(61,735)
Proceeds from issuance of long-term debt	381,334	—	—	—	381,334
Net cash provided by financing activities	556,674	11,925	—	(11,925)	556,674
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	7,508	(9)	—	—	7,499
Balance, beginning of period	—	—	—	—	—
Balance, end of period	$ 7,508	$ (9)	$ —	$ —	$ 7,499

WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2001
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiary	Eliminating Entries	Total
Cash flows from operating activities:					
Net loss accumulated during the development stage	$(1,704)	$ (825)	$ —	$ 825	$(1,704)
Adjustments to reconcile net loss accumulated during the development stage to net cash used in operating activities:					
Depreciation and amortization	—	2	—	—	2
Equity in loss from subsidiaries.	825	—	—	(825)	—
Increase (decrease) in cash from changes in:					
Prepaid expenses	—	(91)	—	—	(91)
Accounts payable and accrued expenses	135	(37)	—	—	98
Total adjustments	960	(126)	—	(825)	9
Net cash used in operating activities	(744)	(951)	—	—	(1,695)
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(2)	—	—	—	(2)
Restricted cash and Investments	(500)	—	—	—	(500)
Other assets	(1,252)	(5)	—	—	(1,257)
Due from related parties	2,498	956	—	—	3,454
Net cash provided by investing activities	744	951	—	—	1,695
Cash flows from financing activities:	—	—	—	—	—
Cash and cash equivalents:					
Increase in cash and cash equivalents	—	—	—	—	—
Balance, beginning of period	—	—	—	—	—
Balance, end of period	$ —	$ —	$ —	$ —	$ —

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WYNN LAS VEGAS, LLC AND SUBSIDIARIES

(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
PERIOD FROM INCEPTION TO DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (23,973)	$ (4,702)	$ 817	$ 3,885	$ (23,973)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	183	3,709	—	—	3,892
Amortization of deferred financing costs and OID	12,507	—	—	—	12,507
Equity in loss from subsidiaries	3,885	—	—	(3,885)	—
(Gain) / Loss on sale of fixed assets	—	33	—	—	33
Increase (decrease) in cash from changes in:					
Receivables, net	(11)	—	—	—	(11)
Inventories and prepaid expenses	(247)	(319)	—	—	(566)
Accounts payable and accrued expenses	11,048	43	—	—	11,091
Total adjustments	27,365	3,466	—	(3,885)	26,946
Net cash provided by operating activities	3,392	(1,236)	817	—	2,973
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(440,577)	(34,445)	—	—	(475,022)
Restricted cash and Investments	(305,820)	—	(50,321)	—	(356,141)
Investment in subsidiaries	(11,925)	—	—	11,925	—
Other assets	(10,952)	(4)	—	—	(10,956)
Due from related parties	227,444	23,758	49,504	—	300,706
Net cash used in investing activities	(541,830)	(10,691)	(817)	11,925	(541,413)
Cash flows from financing activities:					
Equity contributions	237,075	11,925	—	(11,925)	237,075
Deferred financing costs	(61,735)	—	—	—	(61,735)
Proceeds from issuance of long-term debt	381,334	—	—	—	381,334
Net cash provided by financing activities	556,674	11,925	—	(11,925)	556,674
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	18,236	(2)	—	—	18,234
Balance, beginning of period	—	—	—	—	—
Balance, end of period	$ 18,236	$ (2)	$ —	$ —	$ 18,234

Exhibit 99.3

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As of September 30, 2004 and December 31, 2003; for the three and nine months ended September 30, 2004 and 2003, and for the period from inception (April 17, 2001) to September 30, 2004

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
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Condensed Consolidated Financial Statements (unaudited)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands)
(unaudited)

	September 30 2004	December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,807	$ 18,234
Restricted cash and investments	—	58,312
Receivables, net	122	11
Inventories	533	—
Prepaid expenses	1,995	566
Total current assets	24,457	77,123
Restricted cash and investments	130,284	297,829
Property and equipment, net	1,443,705	763,254
Water rights	256	256
Trademark	1,000	1,000
Deferred financing costs	40,611	50,972
Other assets	45,269	18,749
Total assets	$1,685,582	$1,209,183
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts and construction payables	$ 2,088	$ 562
Accrued interest	13,578	9,438
Accrued compensation and benefits	3,266	913
Other accrued expenses	4,508	174
Due to affiliates	71,445	48,874
Total current liabilities	94,885	59,961
Long-term debt	594,528	385,220
Other long-term liabilities	1,600	—
Due to affiliates	829,883	542,107
Total liabilities	1,520,896	987,288
Commitments and contingencies		
Member's equity:		
Contributed capital	237,075	237,075
Accumulated other comprehensive income	5,854	8,793
Deficiency accumulated from inception during the development stage	(78,243)	(23,973)
Total member's equity	164,686	221,895
Total liabilities and member's equity	$1,685,582	$1,209,183

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(amounts in thousands)
(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30		From Inception to September 30
	2004	2003	2004	2003	2004
Revenues	$ —	$ —	$ —	$ —	$ 790
Expenses:					
Pre-opening costs	11,356	4,320	26,613	10,554	49,963
Depreciation and amortization	869	514	2,290	1,505	6,182
Cost of water	1	—	3	—	3
Loss on sale of assets	—	—	550	—	583
Loss from incidental operations	732	84	911	233	1,429
Total expenses	12,958	4,918	30,367	12,292	58,160
Operating loss	(12,958)	(4,918)	(30,367)	(12,292)	(57,370)
Other income (expense):					
Interest expense, net	—	(1,234)	—	(5,157)	(6,920)
Interest income	488	1,830	1,725	6,736	11,675
Loss on extinguishment of debt	—	—	(25,628)	—	(25,628)
Other income (expense)	488	596	(23,903)	1,579	(20,873)
Net loss accumulated during the development stage	(12,470)	(4,322)	(54,270)	(10,713)	(78,243)
Change in fair value of interest rate swaps	(8,925)	5,464	(2,938)	5,729	5,854
Comprehensive loss	$(21,395)	$ 1,142	$(57,208)	$ (4,984)	$ (72,389)

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Nine Months Ended September 30,		From Inception to September 30,
	2004	2003	2004
Cash flows from operating activities:			
Net loss accumulated during the development stage	$ (54,270)	$ (10,713)	$ (78,243)
Adjustments to reconcile net loss accumulated during during the development stage to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,290	1,505	6,182
Write-off and amortization of deferred financing costs and original issue discount	19,534	9,353	32,041
Loss on sale of assets	550	—	583
Increase (decrease) in cash from changes in:			—
Receivables, net	(111)	(173)	(122)
Inventories and prepaid expenses	(1,962)	(208)	(2,528)
Accounts payable and accrued expenses	8,753	10,440	19,844
Net cash provided by (used in) operating activities.	(25,216)	10,204	(22,243)
Cash flows from investing activities:			
Capital expenditures, net of construction payables	(618,624)	(283,695)	(1,093,646)
Restricted cash and investments	225,857	258,811	(130,284)
Other assets	(24,259)	(2,185)	(35,215)
Net cash provided by (used in) investing activities	(417,026)	(27,069)	(1,259,145)
Cash flows from financing activities:			
Equity contributions	—	—	237,075
Payment of deferred financing costs	—	—	(61,735)
Proceeds from issuance of long-term debt	322,555	—	703,889
Principal payments of long-term debt	(122,420)	—	(122,420)
Due to related parties	245,680	22,347	546,386
Net cash provided by financing activities	445,815	23,347	1,303,195
Cash and cash equivalents:			
Increase in cash and cash equivalents	3,573	5,482	21,807
Balance, beginning of period	18,234	7,499	—
Balance, end of period	$ 21,807	$ 12,981	$ 21,807

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

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Basis of Presentation

Hotel A, LLC was formed on April 17, 2001 as a Nevada limited-liability company. On May 15, 2002, Hotel A, LLC changed its name to Wynn Las Vegas, LLC. Hotel A, LLC and its successor, Wynn Las Vegas, LLC is hereafter referred to as the “Company”. The sole member of the Company is Wynn Resorts Holdings, LLC (“Holdings”). The sole member of Holdings is Valvino Lamore, LLC (“Valvino”). On September 24, 2002, all of the members of Valvino contributed 100% of the membership interests in Valvino (210,834 shares) to Wynn Resorts, Limited (“Wynn Resorts”) in exchange for 40,000,000 shares of Wynn Resorts common stock. At that time, Valvino became a wholly owned subsidiary of Wynn Resorts.

The Company was primarily organized to construct and operate Wynn Las Vegas, a luxury hotel and destination casino resort currently being constructed on the site of the former Desert Inn Resort and Casino (the “Desert Inn”) in Las Vegas, Nevada. Wynn Las Vegas will occupy approximately 217 acres of land for the resort casino, including approximately 20 acres of land for its anticipated expansion facilities held by Bora Bora, LLC, an affiliate of the Company and wholly-owned subsidiary of Wynn Resorts, land for guest and employee parking facilities and approximately 142 acres comprising the golf course held by Holdings. Wynn Design & Development, LLC, a wholly-owned subsidiary of Valvino and affiliate of the Company acts as the construction manager and transfers the costs to construct Wynn Las Vegas to the Company.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The accompanying condensed consolidated financial statements included herein have been prepared by the Company, without audit, on a basis consistent with that of the rules and regulations of the Securities and Exchange Commission. 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 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 and nine months ended September 30, 2004 are not necessarily indicative of results to be expected for the full fiscal year and the financial information included herein may not necessarily be indicative of the conditions that would have existed or the results of operations had the Company been a separate, stand-alone entity during the periods presented. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto of the Company as of and for the year ended December 31, 2003.

Certain amounts in the 2003 condensed consolidated financial statements have been reclassified to conform to the 2004 presentation. In particular, during 2004, the Company reclassified amounts charged to affiliate companies and to executives for personal use of the corporate aircraft from a component of revenues to offset the expenses incurred in operating the aircraft. These reclassifications had no effect on the previously reported net loss accumulated during the development stage.

2. Employee Stock-Based Compensation

The Company applies the provisions of Emerging Issues Task Force ("EITF") 00-23, "Options Granted to Employees of Entities under Common Control" and records the cost of equity instruments granted by Wynn Resorts to employees of the Company in the Company's consolidated financial statements as a capital contribution.

As permitted by SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123," the Company continues to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25 and related interpretations in accounting for its employee stock-based compensation, which measures compensation cost on an intrinsic-value, rather than a fair-value, basis. Accordingly, compensation expense is recognized only to the extent that the market value at the date of grant exceeds the exercise price. The following table illustrates the effect on the net loss if the Company had applied the fair-value provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" to stock-based employee compensation (amounts in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,		Period from Inception to September 30
	2004	2003	2004	2003	2004
Net loss as reported	$(12,470)	$(4,322)	$(54,270)	$(10,713)	$ (78,243)
Less: total stock-based employee compensation determined under the fair-value based method for all awards	(365)	(249)	(1,459)	(748)	(2,464)
Proforma net loss	$(12,835)	$(4,571)	$(55,729)	$(11,461)	$ (80,707)

3. Supplemental Disclosure of Cash Flow Information

Amortization of deferred compensation transferred from Wynn Resorts related to employees dedicated to the construction of Wynn Las Vegas and capitalized into construction in progress for the nine months ended September 30, 2004 and 2003, and for the period from inception to September 30, 2004 totaled approximately $1.6 million, $2.4 million, and $3.9 million, respectively.

The decrease in the fair value of interest rate swaps accounted for as cash flow hedges for the nine months ended September 30, 2004 totaled approximately $2.9 million. The increase in the fair value of interest rate swaps accounted for as cash flow hedges for the nine months ended September 30, 2003 and for the period from inception to September 30, 2004, totaled approximately $5.7 million and $5.9 million, respectively.

Aircraft purchases financed by debt totaled approximately $21.7 million, $0 and $50.2 million for the nine months ended September 30, 2004 and 2003, and the period from inception to September 30, 2004, respectively.

Acquisitions during the nine months ended September 30, 2004 financed with short and long-term liabilities, are approximately $4.4 million relating to production rights purchased for Avenue Q, as discussed in Note 7. Commitments and Contingencies.

4. Related Party Transactions

The Company periodically incurs costs on behalf of Stephen A. Wynn, Wynn Resorts' Chairman of the Board, Chief Executive Officer and one of its principal stockholders ("Mr. Wynn") and the other executive officers of Wynn Resorts and the Company, including costs with respect to their personal use of the corporate aircraft. Mr. Wynn and these other officers have deposits to prepay any such items. These deposits are replenished on an ongoing basis as needed. At September 30, 2004 and December 31, 2003, Wynn Resorts' net liability to Mr. Wynn and other officers was approximately $97,000 and $60,000, respectively.

The Company also charges affiliates such as Wynn Resorts and certain of its subsidiaries such as Wynn Group Asia, Inc. (which includes Wynn Resorts (Macau) S.A.) for use of the corporate aircraft. These charges are reported as a reduction in the costs to operate the aircraft in the accompanying statements of operations. There was no aircraft revenue from third parties for the three and nine months ended September 30, 2004 and 2003. Prior to January 1, 2003, the Company occasionally earned aircraft revenue from third party charters. For the period from inception to September 30, 2004, third party aircraft revenue was approximately $790,000.

Until it was closed on May 6, 2004, Holdings operated an art gallery at the former Desert Inn displaying The Wynn Collection, a collection of fine art owned by Mr. and Mrs. Wynn. Under the terms of the Art Rental and Licensing Agreement (the "Art Agreement") under which The Wynn Collection was exhibited at the time the art gallery was closed, Mr. and Mrs. Wynn leased The Wynn Collection to Holdings for an annual fee of one dollar ($1), and Holdings was entitled to retain all revenues from the public display of The Wynn Collection and the related merchandising revenues. Holdings was responsible for all expenses incurred in exhibiting and safeguarding The Wynn Collection, including the cost of insurance (including terrorism insurance) and taxes relating to the rental of The Wynn Collection.

On August 6, 2004, the Art Agreement was amended to set forth the terms and conditions under which The Wynn Collection will be exhibited at Wynn Las Vegas effective upon the opening of the new resort (planned for April 2005). The terms of the amended Art Agreement are substantially the same as the terms under which Holdings most recently had displayed The Wynn Collection in the gallery in the former Desert Inn, including an annual rental of one dollar ($1) for all of the leased works.

On August 6, 2004, Holdings also entered into agreements with Mr. Wynn that confirm and clarify Wynn Resorts' and its affiliates' (including 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.

For the period from inception through September 30, 2004, the accompanying statements of operations include allocations from Valvino or Wynn Resorts, its successor, for legal, accounting, human resource, information services, real estate, or other corporate support services. The corporate support service allocations have been determined on a basis that Wynn Resorts or Valvino and the Company consider to be reasonable estimates of the utilization of service provided or the benefit received by the Company. The allocation methods include specific identification, relative cost, square footage and headcount. Allocated costs are reflected in pre-opening costs. In addition Wynn Resorts and Valvino transferred assets, including the corporate aircraft and proceeds from Wynn Resorts' initial public offering and initial cash contributions, directly to the Company. Certain water rights for the Wynn Las Vegas lake were also transferred in 2003. These transfers and allocations are the primary components of the amounts due to related parties in the accompanying condensed consolidated balance sheets as of September 30, 2004 and December 31, 2003.

5. Property and Equipment

Property and equipment as of September 30, 2004 and December 31, 2003, consist of the following (amounts in thousands):

	September 30, 2004	December 31, 2003
Land	$ 208,128	$ 161,880
Airplane	43,787	38,000
Furniture, fixtures and equipment	6,899	2,058
Construction in progress	1,186,443	565,230
	1,445,257	767,168
Less: accumulated depreciation	(1,552)	(3,914)
	$ 1,443,705	$ 763,254

In July 2004, the Company purchased certain land and buildings across Sands Avenue from Wynn Las Vegas. The purchase price for the land and buildings was $45 million. The current carrying value of the land of approximately $46.2 million includes the purchase price plus transaction and other costs incurred in preparing the property for development as a parking facility.

During the third quarter of 2004, the Company sold its Global Express aircraft $33.0 million.

Construction in progress includes interest and other costs capitalized in conjunction with the Wynn Las Vegas project.

6. Long-Term Debt

Long-term debt as of September 30, 2004 and December 31, 2003, consists of the following (amounts in thousands):

	September 30, 2004	December 31, 2003
12% Second Mortgage Notes, net of original issue discount of approximately $13.6 million and $22.8 million, respectively due November 1, 2010; effective interest at approximately 12.9%	$ 233,973	$ 347,220
$250 million Delay Draw Term Loan Facility; interest at LIBOR plus 5.5% (approximately 7.3%)	250,000	—
$198.5 Million FF&E Facility; interest at LIBOR plus 4%; (approximately 5.8% and 5.2%, respectively)	70,309	38,000
$800 million Revolving Credit Facility; interest at LIBOR plus 4% (approximately 5.8%)	40,246	—
	594,528	385,220
Current portion of long-term debt	—	—
	$ 594,528	$ 385,220

During the second and third quarters of 2004, the Company drew approximately $9.7 million and the remaining approximately $240.3 million, respectively of available borrowings under its $250 million delay draw senior secured term loan facility (the "Term Loan Facility"). The proceeds were applied to Wynn Las Vegas' construction costs. The Term Loan Facility is guaranteed by Wynn Resorts as the parent company, Valvino and its subsidiaries (excluding Wynn Completion Guarantor, LLC, and Desert Inn Improvement Company, LLC) and certain of Valvino's affiliates. The Term Loan Facility also is secured by a first priority security interest in a $50.0 million completion guarantee and a $30.0 million liquidity reserve account; a first priority pledge of all equity interests in, and a first priority security interest in substantially all the assets of, Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. (together, the "Issuers") and certain of their affiliates; first mortgages on all real property constituting Wynn Las Vegas, and a second priority security interest on the furniture, fixtures and equipment securing the FF&E facility described below. The Term Loan Facility matures in October 2009 and, prior to the opening of Wynn Las Vegas; annual interest is charged on outstanding borrowings at the London Interbank Offered Rate ("LIBOR") plus 5.5%. Subsequent to the opening of Wynn Las Vegas, the applicable interest rate is subject to adjustment based upon the Company's leverage ratio.

During the third quarter of 2004, the Company amended its $188.5 million FF&E facility (the "FF&E Facility") to increase the available commitments thereunder to $198.5 million and borrowed the $10 million of increased availability to partially replenish cash balances used to purchase a corporate aircraft in June 2004. The FF&E Facility provides financing for furniture, fixtures and equipment for Wynn Las Vegas. Obligations under the FF&E Facility are guaranteed by the same guarantors as those which guarantee the obligations under the Term Loan Facility, on a senior unsecured basis. The FF&E Facility matures in October 2009, and annual interest is charged on outstanding borrowings at LIBOR plus 4%. In addition, fees are charged on the unused available borrowings at an annual rate of 4%.

During the third quarter of 2004, the Company amended its bank credit facilities to increase the $750 million senior secured revolving credit facility (the "Revolver") by $50 million to finance the purchase of certain land and buildings across Sands Avenue from Wynn Las Vegas. The purchase price was $45 million, and transaction, closing and certain other expected future costs, including interest, increased the required funding by an additional $5 million. During the third quarter of 2004, the Company began borrowing under the Revolver. The Revolver is guaranteed by Wynn Resorts as the parent company, Valvino and its subsidiaries (excluding Wynn Completion Guarantor, LLC, and Desert Inn Improvement Company, LLC) and certain of Valvino's affiliates. The Revolver also is secured by a first priority security interest in a $50 million completion guarantee and a $30.0 million liquidity reserve account; a first priority pledge of all equity interests in, and a first priority security interest in substantially all the assets of, the Issuers and certain of their affiliates; first mortgages on all real property constituting Wynn Las Vegas; and a second priority security interest on the furniture, fixtures and equipment securing the FF&E Facility described above. The Revolver matures in October 2008 and, prior to the opening of Wynn Las Vegas, annual interest is charged on outstanding borrowings at LIBOR plus 4%. Subsequent to the opening of Wynn Las Vegas, the applicable interest rate is subject to adjustment based upon the Company's leverage ratio. In addition, fees are charged on the unused available borrowings at an annual rate of 2%.

The Company seeks to manage the interest rate risk associated with its variable rate borrowings, through balancing fixed-rate and variable-rate borrowings and the use of derivative financial instruments. The Company's interest rate swaps have been designated as cash flow hedges of its Revolver, its Term Loan Facility and its FF&E Facility in accordance SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". As of September 30, 2004 and December 31, 2003, the Company recorded approximately $5.9 million and $8.8 million in other assets, respectively, to reflect the fair value of the hedges. The $2.9 million decrease in the fair value during the nine months ended September 30, 2004 was recorded as a component of comprehensive income. The fair value approximates the amount the Company would receive if these contracts were settled at the respective valuation date. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods.

7. Commitments and Contingencies

Las Vegas

Wynn Las Vegas' project budget, including amendments as of September 30, 2004, was approximately $2.7 billion. This amount includes the cost of the Company's and certain of its affiliates' acquisition of approximately 235 acres of land, costs of design and construction, capitalized interest, pre-opening expenses, financing fees and construction contingencies. Also included in this amount is approximately $61 million for a portion of the anticipated budget of a future expansion of the resort, which will include an additional hotel and casino and related amenities. Although the scope and design of the future expansion continues to be developed, the budget to date includes amounts for a parking addition, office relocation, demolition and certain interest and financing costs and professional fees.

Through September 30, 2004, the Company and certain of its affiliates have funded approximately $1.8 billion of the total $2.7 billion of budgeted project costs with equity contributions and debt. As of September 30, 2004, budgeted costs still to be incurred totaled approximately $883.0 million, and the Company and its affiliates responsible for the Wynn Las Vegas project had availability under its existing credit agreements and long-term restricted cash available for the project of approximately $912.0 million, plus $70.9 million of the $80 million of the completion guarantee and liquidity reserve accounts. The Company anticipates incurring additional costs that will require it to use a significant portion of the remaining $70.9 million completion guarantee and liquidity reserve balance in order to complete Wynn Las Vegas. As these amounts are committed for use, the project budget will increase correspondingly. In addition, the Company anticipates using all available construction contingencies. In summary, all of the anticipated project costs are covered by the $2.7 billion budget and in the additional funds provided by the financing for Wynn Las Vegas.

At September 30, 2004, the project budget included various contractual commitments for developing, constructing and equipping Wynn Las Vegas totaling approximately $2.4 billion, including guaranteed maximum price contracts with the three prime contractors for the construction of the hotel and casino for approximately $1.0 billion, construction of the Wynn Las Vegas golf course for approximately $18.0 million and construction of the parking garage for approximately $10.1 million. The parking structure is substantially complete and is currently used for parking by construction personnel.

The Company has entered into leases for six retail outlets, license and distribution agreements for five additional retail outlets, and joint venture agreements for the operation of three other retail outlets in Wynn Las Vegas. Each of these retail outlets will open concurrently with the opening of Wynn Las Vegas. In connection with these arrangements, Wynn Las Vegas has provided some of the retail tenants an allowance for improvements. These improvement allowances are included in the budgeted costs to construct Wynn Las Vegas.

In addition to the above, to accommodate its preopening efforts, the Company and certain of its affiliates lease office space at three locations, a hangar for its corporate aircraft and certain warehouse facilities, all in Las Vegas. These leases expire at various dates between June 2005 and February 2007.

The Company has entered into long-term agreements with Productions Du Dragon, S.A., a creative production company (“Dragon”) and Calitri Services and Licensing Limited Liability Company, its affiliated production services company (“Calitri”), for the licensing, creation, development and executive production of the water-based production show at Wynn Las Vegas to be named “Le Rêve”. Under these agreements the Company is required to pay certain up-front creation and licensing fees, production costs and, upon opening of the production, a royalty of 10% of net ticket revenues and retail sales, and 50% of the show and retail profits to Dragon and Calitri as calculated in accordance with the terms of the agreements. The term of each of the agreements is ten years after the opening date of the show, which will coincide with the opening of Wynn Las Vegas, with one five-year renewal option.

The Company also has an option with the Dragon and Calitri for the development of a second production show for Wynn Las Vegas or for another project. The exercise of the option will require the payment of an additional $1 million and any additional project will require additional funds to develop.

In June 2004, the Company purchased the rights to stage “Avenue Q,” the Tony Award-winning musical production currently playing on Broadway in New York City. The Company also entered into a Production Services Agreement with Q Las Vegas, LLC, an affiliate of the New York producer, for all production services. The Company will present this show at Wynn Las Vegas’ second showroom, which is scheduled for completion in the second half of 2005.

At September 30, 2004 and December 31, 2003, other assets included $26.9 million and $8.7 million, respectively, of amounts paid or accrued for creation and development costs in conjunction with these entertainment agreements.

Self-insurance

The Company is covered under a self-insured medical plan up to a maximum of $40,000 per year for each insured person. Amounts in excess of these thresholds are covered by the Company’s insurance programs, subject to customary policy limits.

Employment Agreements

The Company has entered into employment agreements with several executive officers, other members of management and certain key employees. These agreements generally have three- to five-year terms and typically indicate a base salary with specified annual increases, and often contain provisions for guaranteed bonuses. Certain of the executives are also entitled to a separation payment if terminated without "cause" or upon voluntary termination of employment for "good reason" following a "change of control" (as these terms are defined in the employment contracts).

Litigation

The Company occasionally is a 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.

8. Consolidating Financial Information of Guarantors and Issuers

The following consolidating financial statements present information related to Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. as the Issuers of the Notes, their guarantor subsidiaries (Wynn Show Performers, LLC; Wynn Sunrise, LLC; World Travel, LLC and Las Vegas Jet, LLC) and non-guarantor subsidiary (Wynn Completion Guarantor, LLC) as of September 30, 2004 and December 31, 2003 and for the three and nine months ended September 30, 2004 and 2003 and for the period from inception to September 30, 2004.

The following condensed consolidating financial statements are presented in the provided form because: (i) the guarantors are wholly owned subsidiaries of Wynn Las Vegas; (ii) the guarantees are considered to be full and unconditional, that is, if the Issuers fail to make a scheduled payment, the guarantors are obligated to make the scheduled payment immediately and, if they don't, any holder of the second mortgage notes may immediately bring suit directly against the guarantors for payment of all amounts due and payable; and (iii) the guarantees are joint and several.

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 21,794	$ 13	$ —	$ —	$ 21,807
Receivables, net	18	104	—	—	122
Inventories	533	—	—	—	533
Prepaid expenses	1,821	174	—	—	1,995
Total current assets	24,166	291	—	—	24,457
Restricted cash and investments	79,900	—	50,384	—	130,284
Property and equipment, net	1,353,780	89,925	—	—	1,443,705
Aircraft held for sale	—	—	—	—	—
Waterrights	256	—	—	—	256
Trademark	1,000	—	—	—	1,000
Deferred financing costs	40,611	—	—	—	40,611
Investment in subsidiaries	7,954	—	—	(7,954)	—
Other assets	44,718	551	—	—	45,269
Total assets	$1,552,385	$ 90,767	$ 50,384	$ (7,954)	$1,685,582
LIABILITIES AND MEMBER’S EQUITY					
Current liabilities:					
Accounts and construction payables	$ 2,042	$ 46	$ —	$ —	$ 2,088
Accrued interest	13,578	—	—	—	13,578
Accrued compensation and benefits.	2,907	359	—	—	3,266
Accrued expenses and other	4,508	—	—	—	4,508
Due to affiliates	71,445	—	—	—	71,445
Total current liabilities	94,480	405	—	—	94,885
Long-term debt	594,528	—	—	—	594,528
Other long-term liabilities	1,600	—	—	—	1,600
Due to affiliates	697,091	83,700	49,092	—	829,883
Total liabilities	1,387,699	84,105	49,092	—	1,520,896
Commitments and contingencies					
Member’s equity:					
Contributed capital	237,075	11,925	—	(11,925)	237,075
Accumulated other comprehensive income	5,854	—	—	—	5,854
Deficiency accumulated from inception during the development stage	(78,243)	(5,263)	1,292	3,971	(78,243)
Total member’s equity	164,686	6,662	1,292	(7,954)	164,686
Total liabilities and member’s equity	$1,552,385	$ 90,767	$ 50,384	$ (7,954)	$1,685,582

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF DECEMBER 31, 2003
(amounts in thousands)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 18,236	$ (2)	$ —	$ —	$ 18,234
Restricted cash and investments	58,312	—	—	—	58,312
Receivables, net	11	—	—	—	11
Inventories	—	—	—	—	—
Prepaid expenses	247	319	—	—	566
Total current assets	76,806	317	—	—	77,123
Restricted cash and investments	247,508	—	50,321	—	297,829
Property and equipment, net	728,663	34,591	—	—	763,254
Water rights	256	—	—	—	256
Trademark	1,000	—	—	—	1,000
Deferred financing costs	50,972	—	—	—	50,972
Investment in subsidiaries	8,040	—	—	(8,040)	—
Other assets	18,745	4	—	—	18,749
Total assets	$1,131,990	$ 34,912	$ 50,321	$ (8,040)	$1,209,183
LIABILITIES AND MEMBER'S EQUITY					
Current liabilities:					
Accounts and construction payables	$ 562	$ —	$ —	$ —	$ 562
Accrued interest	9,438	—	—	—	9,438
Accrued compensation and benefits.	875	38	—	—	913
Other accrued expenses	173	1	—	—	174
Due to affiliates	48,874	—	—	—	48,874
Total current liabilities	59,922	39	—	—	59,961
Long-term debt	385,220	—	—	—	385,220
Due to affiliates	464,953	27,650	49,504	—	542,107
Total liabilities	910,095	27,689	49,504	—	987,288
Commitments and contingencies					
Member's equity:					
Contributed capital	237,075	11,925	—	(11,925)	237,075
Accumulated other comprehensive income	8,793	—	—	—	8,793
Deficit accumulated from inception during the development stage	(23,973)	(4,702)	817	3,885	(23,973)
Total member's equity	221,895	7,223	817	(8,040)	221,895
Total liabilities and member's equity	$1,131,990	$ 34,912	$ 50,321	$ (8,040)	$1,209,183

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
THREE MONTHS ENDED SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ —	$ —	$ —	$ —
Expenses:					
Pre-opening costs	12,787	(1,431)	—	—	11,356
Depreciation and amortization	460	409	—	—	869
Cost of water	1	—	—	—	1
Loss on sale of assets	—	—	—	—	—
Loss from incidental operations	61	671	—	—	732
Total expenses	13,309	(351)	—	—	12,958
Operating loss	(13,309)	351	—	—	(12,958)
Other income (expense):					
Interest expense, net	—	—	—	—	—
Interest income	282	—	206	—	488
Loss on extinguishment of debt	—	—	—	—	—
Equity in loss of subsidiaries	557	—	—	(557)	—
Other income (expense), net	839	—	206	(557)	488
Net income (loss) accumulated during the development stage	$(12,470)	$ 351	$ 206	$ (557)	$(12,470)

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(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
THREE MONTHS ENDED SEPTEMBER 30, 2003
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ —	$ —	$ —	$ —
Expenses:					
Pre-opening costs	4,641	(321)	—	—	4,320
Depreciation and amortization	25	489	—	—	514
Loss from incidental operations	84	—	—	—	84
Total expenses	4,750	168	—	—	4,918
Operating loss	(4,750)	(168)	—	—	(4,918)
Other income (expense):					
Interest expense, net	(1,234)	—	—	—	(1,234)
Interest income	1,655	—	175	—	1,830
Equity in loss of subsidiaries	7	—	—	(7)	—
Other income (expense), net	428	—	175	(7)	596
Net income (loss) accumulated during the development stage	$(4,322)	$ (168)	$ 175	$ (7)	$(4,322)

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CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
NINE MONTHS ENDED SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ —	$ —	$ —	$ —
Expenses:					
Pre-opening costs	28,663	(2,046)	(4)	—	26,613
Depreciation and amortization	904	1,386	—	—	2,290
Cost of water	3	—	—	—	3
Loss on sale of assets	—	550	—	—	550
Loss from incidental operations	240	671	—	—	911
Total expenses	29,810	561	(4)	—	30,367
Operating income (loss)	(29,810)	(561)	4	—	(30,367)
Other income (expense):					
Interest expense, net	—	—	—	—	—
Interest income	1,254	—	471	—	1,725
Loss on extinguishment of debt	(25,628)	—	—	—	(25,628)
Equity in loss of subsidiaries	(86)	—	—	86	—
Other income (expense), net	(24,460)	—	471	86	(23,903)
Net income (loss) accumulated during the development stage	$(54,270)	$ (561)	$ 475	$ 86	$(54,270)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
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CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
NINE MONTHS ENDED SEPTEMBER 30, 2003
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ —	$ —	$ —	$ —
Expenses:					
Pre-opening costs	11,029	(478)	3	—	10,554
Depreciation and amortization	49	1,456	—	—	1,505
Loss from incidental operations	233	—	—	—	233
Total expenses	11,311	978	3	—	12,292
Operating loss	(11,311)	(978)	(3)	—	(12,292)
Other income (expense):					
Interest expense, net	(5,157)	—	—	—	(5,157)
Interest income	6,209	—	527	—	6,736
Equity in loss of subsidiaries	(454)	—	—	454	—
Other income (expense), net	598	—	527	454	1,579
Net income (loss) accumulated during the development stage	$(10,713)	$ (978)	$ 524	$ 454	$(10,713)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
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(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
PERIOD FROM INCEPTION TO SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Nonguarantor Subsidiary	Eliminating Entries	Total
Airplane revenues	$ —	$ 790	$ —	$ —	$ 790
Expenses:					
Pre-opening costs	51,113	(1,153)	3	—	49,963
Depreciation and amortization	1,087	5,095	—	—	6,182
Cost of water	3	—	—	—	3
Loss on sale of assets	—	583	—	—	583
Loss from incidental operations	758	671	—	—	1,429
Total expenses	52,961	5,196	3	—	58,160
Operating income (loss)	(52,961)	(4,406)	(3)	—	(57,370)
Other income (expense):					
Interest expense, net	(6,063)	(857)	—	—	(6,920)
Interest income	10,380	—	1,295	—	11,675
Loss on extinguishment of debt	(25,628)	—	—	—	(25,628)
Equity in loss of subsidiaries	(3,971)	—	—	3,971	—
Other income (expense), net	(25,282)	(857)	1,295	3,971	(20,873)
Net income (loss) accumulated during the development stage	$(78,243)	$ (5,263)	$ 1,292	$ 3,971	$(78,243)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF WYNN RESORTS, LIMITED)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION
NINE MONTHS ENDED SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (54,270)	$ (561)	$ 475	$ 86	$ (54,270)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	904	1,386	—	—	2,290
Write-offs and amortization of deferred financing costs and original issue discount	19,534	—	—	—	19,534
(Gain) / Loss on sale of fixed assets	—	550	—	—	550
Equity in loss of subsidiaries	86	—	—	(86)	—
Increase (decrease) in cash from changes in:					
Receivables, net	(7)	(104)	—	—	(111)
Inventories and prepaid expenses	(2,107)	145	—	—	(1,962)
Accounts payable and accrued expenses	8,387	366	—	—	8,753
Net cash provided by (used in) operating activities	(27,473)	1,782	475	—	(25,216)
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(572,054)	(46,570)	—	—	(618,624)
Restricted cash and investments	225,920	—	(63)	—	225,857
Other assets	(23,712)	(547)	—	—	(24,259)
Net cash provided by (used in) investing activities	(369,846)	(47,117)	(63)	—	(417,026)
Cash flows from financing activities:					
Proceeds from issuance of long-term debt	322,555	—	—	—	322,555
Principal payments of long-term debt	(122,420)	—	—	—	(122,420)
Due from related parties	200,742	45,350	(412)	—	245,680
Cash flows from financing activities:	400,877	45,350	(412)	—	445,815
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	3,558	15	—	—	3,573
Balance, beginning of period	18,236	(2)	—	—	18,234
Balance, end of period	$ 21,794	$ 13	$ —	$ —	$ 21,807

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
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CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION
NINE MONTHS ENDED SEPTEMBER 30, 2003
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (10,713)	$ (978)	$ 524	$ 454	$ (10,713)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	49	1,456	—	—	1,505
Amortization of deferred financing costs and original issue discount	9,353	—	—	—	9,353
Equity in loss of subsidiaries	454	—	—	(454)	—
Increase (decrease) in cash from changes in:					
Receivables, net	11	(184)	—	—	(173)
Inventories and prepaid expenses	(30)	(178)	—	—	(208)
Accounts payable and accrued expenses	10,442	(2)	—	—	10,440
Total adjustments	20,279	1,092	—	(454)	20,917
Net cash provided by (used in) operating activities	9,566	114	524	—	10,204
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(283,562)	(133)	—	—	(283,695)
Restricted cash and investments	258,835	—	(24)	—	258,811
Investment in subsidiaries	—	—	—	—	—
Other assets	(2,198)	13	—	—	(2,185)
Net cash provided by (used in) investing activities	(26,925)	(120)	(24)	—	(27,069)
Cash flows from financing activities:					
Due from related parties	22,835	12	(500)	—	22,347
Net cash provided by (used in) financing activities	22,835	12	(500)	—	22,347
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	5,476	6	—	—	5,482
Balance, beginning of period	7,508	(9)	—	—	7,499
Balance, end of period	$ 12,984	$ (3)	$ —	$ —	$ 12,981

WYNN LAS VEGAS, LLC AND SUBSIDIARIES
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CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION
PERIOD FROM INCEPTION TO SEPTEMBER 30, 2004
(amounts in thousands)
(unaudited)

	Issuers	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income (loss) accumulated during the development stage	$ (78,243)	$ (5,263)	$ 1,292	$ 3,971	$ (78,243)
Adjustments to reconcile net income (loss) accumulated during the development stage to net cash provided by operating activities:					
Depreciation and amortization	1,087	5,095	—	—	6,182
Write-off and amortization of deferred financing costs and original issue discount	32,041	—	—	—	32,041
(Gain) / Loss on sale of fixed assets	—	583	—	—	583
Equity in loss of subsidiaries	3,971	—	—	(3,971)	—
Increase (decrease) in cash from changes in:					
Receivables, net	(18)	(104)	—	—	(122)
Inventories and prepaid expenses	(2,354)	(174)	—	—	(2,528)
Accounts payable and accrued expenses	19,435	409	—	—	19,844
Total adjustments	54,162	5,809	—	(3,971)	56,000
Net cash provided by (used in) operating activities	(24,081)	546	1,292	—	(22,243)
Cash flows from investing activities:					
Capital expenditures, net of construction payables	(1,012,631)	(81,015)	—	—	(1,093,646)
Restricted cash and investments	(79,900)	—	(50,384)	—	(130,284)
Investment in subsidiaries	(11,925)	—	—	11,925	—
Other assets	(34,664)	(551)	—	—	(35,215)
Net cash used in investing activities	(1,139,120)	(81,566)	(50,384)	11,925	(1,259,145)
Cash flows from financing activities:					
Equity contributions	237,075	11,925	—	(11,925)	237,075
Deferred financing costs	(61,735)	—	—	—	(61,735)
Proceeds from issuance of long-term debt	703,889	—	—	—	703,889
Principal payments of long-term debt	(122,420)	—	—	—	(122,420)
Due from related parties	428,186	69,108	49,092	—	546,386
Net cash provided by financing activities	1,184,995	81,033	49,092	(11,925)	1,303,195
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	21,794	13	—	—	21,807
Balance, beginning of period	—	—	—	—	—
Balance, end of period	$ 21,794	$ 13	$ —	$ —	$ 21,807

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, our consolidated financial statements and related notes for Wynn Las Vegas, LLC and subsidiaries. Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. See "Forward-Looking Statements" below.

Forward-Looking Statements

Certain information included in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains statements that are forward-looking, including, but not limited to, statements relating to our business strategy and development activities, as well as other capital spending, financing sources, the effects of regulation (including gaming and tax regulations), expectations concerning future operations, margins, profitability and competition. Any statements made that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, in some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "estimate," "intend," "plan," "continue" or the negative of these terms or other comparable terminology. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. These risks and uncertainties include, but are not limited to, those relating to competition in the casino/hotel and resorts industries, completion of our Wynn Las Vegas casino resort on time and within budget, estimated development costs of Encore at Wynn Las Vegas, our intention to fund a portion of the development costs of Encore at Wynn Las Vegas with anticipated cash flows generated at Wynn Las Vegas, new development and construction activities of competitors, our dependence on Stephen A. Wynn and existing management, leverage and debt service (including sensitivity to fluctuations in interest rates), levels of travel, leisure and casino spending, general domestic or international economic conditions, pending or future legal proceedings, changes in federal or state tax laws or the administration of such laws, changes in gaming laws or regulations (including the legalization of gaming in certain jurisdictions), our application for licenses and approvals under applicable jurisdictional laws and regulations (including gaming laws and regulations) and the consequences of the war in Iraq and other military conflicts in the Middle East and any future security alerts and/or terrorist attacks such as the attacks that occurred on September 11, 2001. Further information on potential factors, which could affect our financial condition, results of operations and business are included in Wynn Resorts, Limited's filings with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statements, which are based only upon information currently available to us. We undertake no obligation to publicly release any revisions to such forward-looking statements to reflect events or circumstances after the date hereof.

Overview

Since inception, we have been primarily a casino resort development company. Our efforts have been devoted principally to the development and construction activities described below with respect to Wynn Las Vegas, our casino resort in Las Vegas, Nevada. Wynn Las Vegas will occupy approximately 217 acres of land for the resort casino, including approximately 20 acres of land for its anticipated expansion facilities held by Bora Bora, LLC, an affiliate of the Company and wholly-owned subsidiary of Wynn Resorts, Limited, land for guest and employee parking facilities and approximately 142 acres comprising the golf course held by Wynn Resorts Holdings, LLC, another of our affiliates and wholly-owned subsidiary of Wynn Resorts, Limited. Our affiliate, Wynn Design & Development, LLC, also a wholly-owned subsidiary of Wynn Resorts, Limited, acts as the construction manager and transfers the costs to construct Wynn Las Vegas to us.

Our consolidated financial statements also include results from the ownership and operation of our corporate aircraft by two wholly-owned subsidiaries.

Work on Wynn Las Vegas continues as planned and the resort is on schedule to open in April 2005. There are significant risks associated with any major construction project, and unexpected developments or delays could occur. We will be required to obtain a state gaming license and county gaming and liquor licenses before we are able to commence resort operations.

Wynn Las Vegas

We are constructing and will operate Wynn Las Vegas, a casino resort which, including the new golf course located behind the hotel and property to accumulate future expansion and development, will occupy approximately 217 acres on the Las Vegas Strip. Construction of Wynn Las Vegas began with groundbreaking in October 2002 and we expect Wynn Las Vegas to be completed and open to the public (excluding the second showroom and other planned future expansions) in April 2005.

Construction of Wynn Las Vegas is on schedule. For the purpose of managing the design, procurement and construction of Wynn Las Vegas, the project is divided into several design and construction components.

- Construction of the 45-story high-rise core and shell is substantially complete. Exterior glass for the main high-rise has been installed. Exterior parapet signage has been installed and is currently lighted. Furniture is in place in rooms and suites through the 33rd floor.
- The public areas are in various stages of construction. Meeting rooms and ballrooms are substantially complete. Interior work in the casino is progressing. Retail areas will be turned over to tenants for build-out in the fourth quarter of 2004.
- Construction on the Aqua Theater showroom is substantially complete.
- The guest parking garage is substantially complete and is currently used for parking by construction personnel.
- Construction of the fairway villas, consisting of 36 luxury suites, is progressing. The building structure and drywall installation is complete and work continues on the interior finishes for 18 villas. Foundation work is substantially complete for the other 18 villas.
- Construction of the golf course is proceeding according to schedule. Grassing is complete on 17 of the 18 holes. Work on the streams and lakes is substantially complete; however, work continues on the 18th green and waterfall feature.
- Construction of the lake-mountain feature continues. Landscaping and lighting is under way and water-feature pumping equipment installation continues.

Wynn Las Vegas' project budget, including amendments as of September 30, 2004, was approximately $2.7 billion, including the cost of acquiring approximately 235 acres of land, costs of design and construction, capitalized interest, pre-opening expenses, financing fees and construction contingencies. Also included in this amount is approximately $61 million for a portion of the anticipated budget on the planned future expansion of the resort, known as "Encore at Wynn Las Vegas" which may include an additional 1,500 suite hotel tower, additional casino space and restaurants, retail and meeting space, and a spa and swimming pools, all designed to capitalize on the significant infrastructure of Wynn Las Vegas. Although the scope and design of Encore at Wynn Las Vegas continues to be developed, the $61 million budget to date includes amounts for adding a parking structure, office relocation, demolition and certain interest and financing costs and professional fees. Encore at Wynn Las Vegas is expected to cost approximately $900 million and is expected to be funded by new debt or equity financing.

Through September 30, 2004, we and certain of our affiliates have funded approximately $1.8 billion of the total $2.7 billion of budgeted project costs with equity contributions and debt. As of September 30, 2004, budgeted costs still to be incurred totaled approximately $883.0 million, and we had availability under our existing credit agreements and long-term restricted cash available for the project of approximately $912.0 million, plus $70.9 million of the $80.0 million deposited by us into the completion guarantee and liquidity reserve accounts. We anticipate incurring additional costs that will require us to use a significant portion of the remaining $70.9 million completion guarantee and liquidity reserve balances in order to complete Wynn Las Vegas. As these amounts are committed for use, the project budget will increase correspondingly. In addition, we anticipate using all available construction contingencies. In summary, all of the anticipated project costs are covered by the $2.7 billion budget and in the additional funds provided by the project financing.

Results of Operations

We have not commenced operations and therefore, have no revenues. Consequently, as is customary for a development stage company, we have incurred losses in each period from inception to September 30, 2004. We expect these losses to continue and to increase until operations commence with the planned opening of Wynn Las Vegas in April 2005. These losses will grow due to increasing pre-opening expenses as the Wynn Las Vegas project nears completion. The acceleration of these costs was anticipated and is included in the Wynn Las Vegas project budget. We do not expect that our operating results prior to opening Wynn Las Vegas will be indicative of operating results thereafter.

Results of operations for the three months ended September 30, 2004 compared to the three months ended September 30, 2003.

Our development operations resulted in a net loss for the three months ended September 30, 2004, of approximately $12.5 million, a 189% increase over the net loss of approximately $4.3 million for the three months ended September 30, 2003, due to increased development activities.

We are partially reimbursed for the cost of operating our corporate aircraft from the variable costs charged to officers of Wynn Resorts for their personal use of the corporate aircraft, and through December 31, 2001, from third-party charter revenues. Previously, we had recorded these amounts as revenues. During 2004, we reclassified these revenues from the operation of our corporate aircraft, to reflect those amounts as a reduction of the costs to operate the aircraft. Accordingly, the results of operations included in the interim financial statements for the three and nine months ended September 30, 2004 and 2003, do not reflect revenues. Instead, expenses have been reduced to the extent of reimbursements from corporate officers described above.

Total expenses for the three months ended September 30, 2004 increased approximately $8.0 million, or 164%, to $13.0 million, as compared to $4.9 million for the three months ended September 30, 2003. Preopening costs increased by $7 million to $11.4 million for the three months ended September 30, 2004 as compared to $4.3 million for the third quarter of 2003. The increase in pre-opening costs, which consist primarily of salaries and wages and consulting and legal fees, is directly attributable to an increase in pre-opening activities as compared to the same period in the prior year, including expected staffing increases. Management expects pre-opening costs to continue to increase as the construction of Wynn Las Vegas progresses. The remaining increase in total expenses was primarily due to increased depreciation resulting from the purchase of a new, larger aircraft in June 2004 as a replacement for the older, smaller aircraft sold in August 2004.

Other income (expense), net for the three months ended September 30, 2004, decreased approximately $108,000 to income of approximately $488,000 from income of approximately $596,000 for the three months ended September 30, 2003, as a result of a $1.2 million decrease in interest expense, offset by an approximately $1.3 million decrease in interest income. Lower interest income is primarily attributable to the decrease in cash from the net proceeds from equity and debt financing activity as the funds continue to be expended to construct Wynn Las Vegas, while the interest expense decreased due to increased capitalization of interest expense commensurate with the progress on the construction of Wynn Las Vegas.

The change in the fair value of our interest rate swaps decreased from a gain of $5.5 million for the three months ended September 30, 2003, to a loss of approximately $8.9 million for the three months ended September 30, 2004. Our interest rate swaps have been designated by us as cash flow hedges in accordance with applicable accounting pronouncements. Accordingly, changes in the fair value are charged, to the extent the hedge is effective (as defined in the accounting pronouncements), directly to comprehensive income. The fair value approximates the amount we would pay or receive if these contracts were settled at the valuation dates. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments, and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods.

Results of operations for the nine months ended September 30, 2004 compared to the nine months ended September 30, 2003.

Our development operations resulted in a net loss for the nine months ended September 30, 2004, of approximately $54.3 million, a 407% increase over the net loss of approximately $10.7 million for the nine months ended September 30, 2003, due to increased development activities.

We are partially reimbursed for the cost of operating our corporate aircraft from the variable costs charged to officers of Wynn Resorts for their personal use of the corporate aircraft, and through December 31, 2001, from third-party charter revenues. Previously, we had recorded these amounts as revenues. During 2004, we reclassified these revenues from the operation of our corporate aircraft, to reflect those amounts as a reduction of the costs to operate the aircraft. Accordingly, the results of operations included in the interim financial statements for the three and nine months ended September 30, 2004 and 2003, do not reflect revenues. Instead, expenses have been reduced to the extent of reimbursements from corporate officers described above.

Total expenses for the nine months ended September 30, 2004 increased approximately $18.1 million, or 147%, to $30.4 million, as compared to $12.3 million for the nine months ended September 30, 2003. Preopening costs increased by $16.1 million to $26.6 million for the nine months ended September 30, 2004 as compared to $10.6 million for the nine months ended September 30, 2003. The increase in pre-opening costs, which consist primarily of salaries and wages and consulting and legal fees, is directly attributable to an increase in pre-opening activities as compared to the same period in the prior year, including expected staffing increases. Management expects pre-opening costs to continue to increase as the construction of Wynn Las Vegas progresses. The remaining increase in total expenses was primarily due to increased depreciation resulting from the purchase of a new, larger aircraft in June 2004 as a replacement for the older, smaller aircraft sold in August 2004.

Other income (expense), net for the nine months ended September 30, 2004, decreased approximately $25.5 million to an expense of approximately $23.9 million from income of approximately $1.6 million for the nine months ended September 30, 2003, primarily as a result of an approximately $25.6 million loss on the early retirement of a portion of the 12% second mortgage notes due 2010 (the “Notes”) of Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. (collectively, the “Issuers”) attributable to the 112% redemption premium and writeoffs of unamortized original issue discount and debt issuance costs in June 2004. Also, there was a $5.2 million decrease in interest expense, offset by an approximately $5.0 million decrease in interest income. Lower interest income is primarily attributable to the decrease in cash from the net proceeds from equity and debt financing activity as the funds continue to be expended to construct Wynn Las Vegas, while the interest expense decreased due to increased capitalization of interest expense commensurate with the progress on the construction of Wynn Las Vegas.

The change in the fair value of our interest rate swaps decreased from a gain of $5.7 million for the nine months ended September 30, 2003, to a loss of approximately $2.9 million for the nine months ended September 30, 2004. Our interest rate swaps have been designated by us as cash flow hedges in accordance with applicable accounting pronouncements. Accordingly, changes in the fair value are charged, to the extent the hedge is effective (as defined in the accounting pronouncements), directly to comprehensive income. The fair value approximates the amount we would pay or receive if these contracts were settled at the valuation dates. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments, and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods.

Results of operations for the years ended December 31, 2003 compared to the years ended December 31, 2002 and 2001.

Our development operations, principally consisting of pre-opening salaries and other payroll expenses, interest and depreciation offset primarily by revenues from the corporate aircraft and interest income, resulted in net losses of approximately $16.0 million, $4.8 million and $1.7 million for the years ended December 31, 2003, 2002 and 2001, respectively. Loss increases are due primarily to increased development activities, as expected by management.

Our revenues from corporate aircraft were approximately $2.5 million, $2.7 million and $2.0 million for the years ended December 31, 2003, 2002 and 2001, respectively. We earn corporate aircraft revenues from the variable costs charged to officers of Wynn Resorts, for their personal use of the corporate aircraft, and through December 31, 2001, from third-party charter revenues. In the beginning of 2002 we replaced our aircraft with a newer aircraft which increased the variable costs charged for its use, compared to the former aircraft. In addition, the former aircraft was licensed for charter services and therefore aircraft revenues in 2001 and 2000 include third-party charters. The newer aircraft obtained in February 2002 is not licensed for such charter services. Therefore the trend of increases in the aircraft revenues through December 31, 2002 is primarily from the increased variable cost rates charged for use of the new corporate aircraft offset by the elimination of third-party charter revenues formerly charged by the old aircraft, while the decreased 2003 revenue is due to decreased usage in the 2003 period as compared to 2002.

Pre-opening costs, consisting of salaries and benefits, legal expenses and other start-up costs totaled approximately $18.9 million, $5.7 million and $3.7 million for the years ended December 31, 2003, 2002 and 2001. Each period’s costs have increased due to the increases in the number of employees and the increased level of development and construction activity. Management expects this trend to continue as activity and the number of employees increases throughout the development and construction period.

Depreciation and amortization for the year ended December 31, 2003 of $2.1 million increased fairly nominally from $1.8 million for the year ended December 31, 2002, due to increases in depreciation due to a full year's depreciation on the new aircraft in 2003, offset by reduced depreciation on buildings acquired in the Desert Inn purchase as a result of their becoming fully depreciated during 2003. Depreciation and amortization increased significantly for the year ended December 31, 2002 compared to 2001 from a nominal $2,000 in 2001 to approximately $1.8 million in 2002. During 2002, Valvino Lamore, LLC transferred the Las Vegas Jet LLC and World Travel LLC subsidiaries to the Company, which included the $38 million corporate aircraft, thereby increasing the associated depreciation expense, which formerly related to our small amount of furniture, fixtures and equipment.

During 2002, Wynn Resorts and Valvino transferred a significant amount of cash from capital contributions and the proceeds of Wynn Resorts' initial public offering effective on October 25, 2002. Also, we completed an offering of $370 million aggregate 12% second mortgage notes. Net proceeds and transfers increased our cash and investments by approximately $800 million, thereby generating approximately $1.9 million in interest income for 2002. The interest income increased significantly for 2003 to approximately $8.1 million due to the full year's interest earnings on these significant invested cash balances.

In addition, the Las Vegas Jet and World Travel asset transfers, which included the corporate aircraft and the issuance of the 12% second mortgage notes, increased our long-term debt obligations to approximately $382 million. Therefore, we incurred approximately $1.9 million in interest expense during 2002 and $5.1 million in 2003. The increase from 2002 to 2003 was due to a full year's interest expense for 2003 compared to 2002.

Certain trends that may affect development activities and future results of operations

In the near term, our development activities may be impacted by various economic factors, including, among other things, the availability and cost of materials, the availability of labor resources and interest rate levels. The strength and profitability of our business after Wynn Las Vegas opens will depend on consumer demand for hotel casino resorts in general and for the type of luxury amenities that Wynn Las Vegas will offer. Adverse changes in consumer preferences, discretionary income and general economic conditions as well as fears of recession, reduced consumer confidence in the economy, the possibility of continued terrorist activities in the United States and elsewhere or the war in Iraq and other military conflicts in the Middle East could reduce customer demand for the products and services we will offer, thus imposing practical limits on pricing and harming our operations.

Liquidity and Capital Resources

Financing for Wynn Las Vegas

At September 30, 2004, we had approximately $594.5 million of outstanding debt. As discussed in further detail below, during the nine months ended September 30, 2004, we received or requested a total of approximately $412.7 million under our Wynn Las Vegas credit facilities to fund construction costs and capital purchases. We also redeemed approximately $122.4 million of the $370.0 million in aggregate principal amount of the Notes outstanding immediately prior to the redemption for a total payment of approximately $138.9 million. This payment was equal to 112.0% of the aggregate principal amount of the Notes redeemed plus accrued and unpaid interest thereon. In connection with the redemption, we wrote off approximately $7.0 million of the unamortized original issue discount and approximately $3.9 million of unamortized deferred financing costs associated with the Notes. Accordingly, we recognized a loss on the early retirement of debt of approximately $25.6 million to reflect both the writeoffs and the $14.7 million redemption premium.

As a result of the financing activity above, as of September 30, 2004, we have approximately $797.8 million remaining available for future funding requests under our Wynn Las Vegas debt facilities. This availability, combined with the restricted cash available for Wynn Las Vegas, the remaining proceeds of a $143.4 million credit facility of an affiliate secured by land transferred to it from us in the second quarter of 2004, the remaining construction contingencies, and the completion guarantee and liquidity reserve will provide the funding necessary to complete the Wynn Las Vegas project. As of September 30, 2004, we have committed to use approximately $9.1 million of the $80.0 million completion guarantee and liquidity reserve. This $9.1 million is included in the $2.7 billion Wynn Las Vegas project budget. As amounts under the completion guarantee and liquidity reserve are committed for use, the Wynn Las Vegas project budget will increase correspondingly.

Any delays or further scope change orders with respect to the Wynn Las Vegas project, however, could have a material adverse effect on our liquidity and operations. If we do not complete construction of Wynn Las Vegas by September 30, 2005, the lenders under certain of the agreements governing our credit facilities and the holders of the Notes will have the right to accelerate the indebtedness thereunder and exercise other rights and remedies against Wynn Las Vegas and the guarantors of the indebtedness. Any such acceleration would have a material adverse effect on us.

During the second and third quarters of 2004, we drew the entire $250 million delay draw senior secured term loan facility (the “Term Loan Facility”). The proceeds were applied to Wynn Las Vegas construction costs.

During the second quarter of 2004, we drew $22.3 million under our $188.5 million furniture, fixtures and equipment loan (the “FF&E Facility”) and during the third quarter of 2004, we amended the FF&E Facility to increase the available commitments thereunder to $198.5 million, and borrowed the $10 million of increased availability to partially reimburse cash balances used to purchase a corporate aircraft in June 2004.

During the third quarter of 2004, we amended our bank credit facilities as provided for in the documents, to increase the $750.0 million senior secured revolving credit facility (the “Revolver”) by $50.0 million to finance the purchase of certain land and buildings across Sands Avenue from Wynn Las Vegas. The purchase price was $45.0 million, and transaction, closing and certain other expected future costs increased the required funding by an additional $5.0 million. During the third quarter of 2004, we borrowed approximately $40.2 million under the Revolver, and requested an additional $90.2 million for costs incurred through September 30, 2004, which will be funded in October 2004.

Expected Capital Resources and Commercial Commitments

At September 30, 2004, we had approximately $21.8 million of cash and cash equivalents. In addition, we had approximately $130.3 million in restricted cash and investments from the proceeds of our debt and equity financings. This amount is restricted for development and construction of Wynn Las Vegas and certain other specific costs in accordance with agreements governing our debt facilities including $80.0 million restricted for a Wynn Las Vegas liquidity reserve and completion guarantee (of which $9.1 million has been committed to the project budget as of September 30, 2004), $42.6 million for specified interest on the Notes, and approximately $7.7 million for insurance and sales tax deposits and certain other amounts. Cash equivalents are comprised of investments in overnight money market funds. Restricted investments are kept in money market funds or relatively short-term, government-backed, marketable debt securities as required by agreements governing our debt facilities.

As of September 30, 2004, approximately $1.8 billion of the total Wynn Las Vegas project cost, (including the cost of the land, capitalized interest, pre-opening expenses and all financing fees) had been expended or incurred by us and certain of our affiliates. This was funded primarily from a combination of our cash on hand from contributed capital, proceeds from the initial public offering of Wynn Resorts’ common stock, the Notes and our other available debt facilities. The remaining $882.8 million of Wynn Las Vegas project costs, including certain scope changes and planned expansion elements, are to be funded from the remaining net proceeds of the Notes, the remaining proceeds of a $143.4 million credit facility of an affiliate secured by land transferred to it from us in the second quarter of 2004 and additional borrowings under our other available debt facilities.

On November 9, 2004, our parent, Wynn Resorts, Limited, announced that it has agreed to sell 7,500,000 shares of its common stock to Deutsche Bank Securities Inc., plus up to 1,125,000 additional shares to cover over-allotments. The sale is expected to close on Monday, November 15, 2004, and is subject to customary conditions. Wynn Resorts, Limited intends to use the net proceeds from the sale, estimated to be approximately $453.0 million, to repay or reduce indebtedness, for the development of the Encore at Wynn Las Vegas and Wynn Macau projects, or for general corporate purposes. We may receive a portion of such net proceeds as a capital contribution from Wynn Resorts, Limited.

On November 12, 2004, we commenced a tender offer and consent solicitation with respect to our outstanding 12% Second Mortgage Notes due 2010. The tender offer, which is scheduled to expire on December 11, 2004, is part of a plan to refinance our existing debt. Approximately $247,580,000 aggregate principal amount of notes are currently outstanding. We intend to finance the tender offer and consent solicitation with a portion of approximately $2.2 billion of new debt financing that we intend to arrange. The tender offer and consent solicitation are subject to the valid tender of, and delivery of consents with respect to, a majority of the outstanding principal amount of notes (excluding notes held by affiliates of the issuers), arranging the new debt financing and other customary general conditions.

The following table summarizes certain information regarding our expected long-term indebtedness and material commercial commitments based upon our best estimates at December 31, 2003 of our expected long-term indebtedness and commitments (amounts in millions):

	Payments Due By Period				
Long-Term Indebtedness	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**After 5 Years**
FF&E facility(1)	$ 38.0	$ —	$38.0	$—	$ —
Second mortgage notes	370.0	—	—	—	370.0
Total long-term indebtedness	$408.0	$ —	$38.0	$—	$370.0

Other Commercial Commitments	Amount of Commitment Expiration Per Period				
	Total Amounts Committed	Less Than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
Revolving credit facility(2)	$ 726.2	$ —	$ —	$ 726.2	$ —
Delay draw term loan facility(3)	250.0	—	50.0	100.0	100.0
FF&E facility(1)	150.5	—	20.9	94.3	35.3
Construction contracts(4)	663.9	562.5	101.4	—	—
Employment agreements(5)	35.8	10.6	18.7	6.5	—
Other commercial commitments(6)	814.8	90.3	268.0	275.0	181.5
Total commercial commitments	$ 2,641.2	$ 663.4	$459.0	$1,202.0	$316.8

(1) As of December 31, 2003, we had borrowed approximately $38.0 million under the FF&E Facility. Approximately $28.5 million of these borrowings were used to refinance a loan, secured by a mortgage on World Travel's Bombardier Global Express aircraft, made by Bank of America, N.A. to World Travel, LLC, a wholly owned subsidiary of Wynn Las Vegas, LLC. The remaining $9.5 million of currently borrowed funds and the unused portion of the $188.5 million facility are, or are expected, to be used for furniture, fixtures and equipment to be used at Wynn Las Vegas.

(2) As of December 31, 2003, we had not borrowed any amounts under the Revolver. However, we anticipate drawing approximately $726.2 million to fund the design, construction, development, equipping and opening of Wynn Las Vegas, assuming that Wynn Las Vegas is completed on schedule. An additional $23.8 million is available under the Revolver, subject to certain limitations. Once the total extensions of credit under the Revolver equal or exceed $200 million, lead arrangers holding a majority of the commitments of the lead arrangers under that facility will have the right to convert between $100 million and $400 million of the outstanding revolving loans into term loans on the same terms and conditions as the term loans under the delay draw term loan facility or on such other terms as we and the administrative agent and syndication agent can agree. In addition, the Revolver will provide for a cash flow sweep each year that will reduce the commitment under that facility by the amount of the cash swept.

(3) As of December 31, 2003, we had not borrowed any amounts under the Term Loan, however we anticipate drawing the entire available balance in the future for additional funding of the construction and development of Wynn Las Vegas. Term Loans will be repayable in quarterly installments from the first full fiscal quarter after completion of Wynn Las Vegas until the seventh anniversary of the closing in amounts to be determined in accordance with the terms of the Credit Facilities.

(4) Represents obligations under signed construction contracts with Marnell Corrao, Wadsworth Golf Construction Company, Bomel Construction Company, Inc. and certain other construction companies in connection with the construction of Wynn Las Vegas. We expect to satisfy some of the payment obligations under these contracts using amounts borrowed under the long-term indebtedness shown above.

(5) We have entered into employment agreements with several executive officers, other members of management, and certain key employees. These agreements generally have three to five year terms, typically indicate a base salary with specified annual increases, and often contain provisions for guaranteed bonuses. If the Company terminates certain executives without "cause" or if certain executives terminate employment with the Company for "good reason" following a "change of control" (as these terms are defined in the employment contracts), we will pay the executive a "separation payment" in a lump sum, which typically is equal to the base salary of the remaining term of the employment contract plus foregone bonuses, plus certain other payments. Amounts represent the aggregate contractual salaries and guaranteed bonuses during the periods specified in the agreements.

(6) $2.3 million of the total and amounts expiring in less than one year represents a standby letter of credit for our owner-controlled insurance program. Remaining amounts for all periods represent estimated future interest payments, including unused commitment fees on unborrowed amounts from the Credit Facilities and the FF&E Facility, based upon currently existing commitments, anticipated LIBOR rates based upon expected yield curves (including the effect of the interest rate swaps) as well as expected levels of borrowings and the timing of repayments.

Other Liquidity Matters

New business developments or other unforeseen events may occur, which could result in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in Las Vegas and other international and domestic markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing. Furthermore, if completion of the Wynn Las Vegas project is delayed, then our debt service obligations accruing prior to the actual opening of Wynn Las Vegas will increase correspondingly, thus requiring additional financing. In addition, we intend to continue our periodic efforts to refinance all or a portion of our indebtedness when market conditions are appropriate. However, we cannot assure you that we will be able to refinance any of our indebtedness on acceptable terms or at all.

Critical Accounting Policies and Estimates

Our consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America. Certain of our accounting policies, including the estimated lives of depreciable assets, the annual evaluation of assets for impairment and the purchase price allocations made in connection with acquisitions, require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. Judgments are based on historical experience, terms of existing contracts, industry trends and information available from outside sources, as appropriate. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. As of, and for the period from inception to September 30, 2004, management does not believe there are any highly uncertain matters or other underlying assumptions that would have a material effect on the statement of financial position or results of operations of the Company if actual results differ from our estimates.

Critical accounting policies currently reflected in the consolidated financial statements primarily relate to expensing pre-opening costs as incurred, capitalizing construction costs, including portions of interest attributable to certain qualifying assets, and other policies related to our development stage status.

During the period of the construction of Wynn Las Vegas, direct costs such as those expected to be incurred for the design and construction of the hotel and casino, the championship golf course and the water-based entertainment production, including interest, are capitalized. Accordingly, the recorded amounts of property and equipment will increase significantly. Depreciation expense related to the capitalized construction costs will not be recognized until the related assets are put in service. Accordingly, upon completion of construction and commencement of operation of Wynn Las Vegas, depreciation expense recognized based on the estimated useful life of the corresponding asset will have a significant effect on the results of our operations.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 141, “Business Combinations” and SFAS No. 142, “Goodwill and Other Intangible Assets.” SFAS No. 141 prohibits the pooling of interests method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142, which was effective for us as of January 1, 2002, requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing intangibles as goodwill, reassessment of the useful lives of existing intangibles and ongoing assessments of potential impairment of existing goodwill. As of December 31, 2001, we had no goodwill but did have intangible assets consisting of trademarks and water rights with indefinite useful lives. Accordingly, the adoption of this statement on January 1, 2002 did not have a material impact on our consolidated financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, “Accounting for Asset Retirement Obligations,” which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement applies to legal obligations associated with the retirement of certain obligations of lessees. This Statement is effective for fiscal years beginning after June 15, 2002. Our adoption of SFAS No. 143 on January 1, 2003 did not have a material impact on our consolidated financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.” The provisions of this Statement are effective for fiscal years beginning after December 15, 2001. We adopted SFAS No. 144 on January 1, 2002 with no material impact on our consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, “Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections.” Among other things, this statement rescinds SFAS No. 4, “Reporting Gains and Losses from Extinguishment of Debt,” which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. As a result, the criteria in APB Opinion No. 30, “Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions,” will now be used to classify those gains and losses. Our adoption of this statement did not have a material impact on our consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” SFAS No.146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue No. 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).” SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. A fundamental conclusion reached by the FASB in this statement is that an entity’s commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. Our adoption of this statement did not have a material impact on our consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation (“FIN”) No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34.” FIN No. 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued, and requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. A fundamental conclusion reached by the FASB in this interpretation is the exclusion from the liability recognition provisions of guarantees issued between entities under common control or parent or subsidiary guarantees of third party debt on behalf of that parent or subsidiary. Such guarantees, however, are not excluded from the enhanced disclosure provisions. The initial recognition and measurement provisions of FIN No. 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, however the disclosure provisions are effective for financial statements of interim or annual periods ending after December 15, 2002. As a result, we adopted the disclosure provisions of FIN No. 45 for our 2002 annual consolidated financial statements, which had no material impact. Our subsequent adoption of the recognition and measurement provisions on January 1, 2003, also did not have a material impact upon our consolidated financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123.” SFAS No.148 amends SFAS No. 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 permits companies to continue to apply the intrinsic value based method of accounting for stock-based employee compensation as provided for in Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” however it requires that companies that elect to do so, provide specific tabular pro forma disclosures required by SFAS No. 123 in the Summary of Significant Accounting Policies. In addition, SFAS No.148 requires these disclosures in financial reports for interim periods. We continue to apply the intrinsic value based method of accounting for stock-based employee compensation as allowed by SFAS No. 148, and therefore adoption of this statement did not have a material impact upon our consolidated financial position or results of operations. However, we have provided the required disclosures for the accompanying consolidated financial statements.

In January 2003, the Financial Accounting Standards Board (FASB) issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" (VIEs). FIN 46 clarifies the application of Accounting Research Bulletin 51, "Consolidated Financial Statements," and establishes standards for determining under what circumstances VIEs should be consolidated with their primary beneficiary, including those to which the usual condition for consolidation does not apply. FIN 46 also requires disclosures about unconsolidated VIEs in which the company has a significant variable interest. The consolidation requirements of FIN 46 apply immediately to VIEs created after December 31, 2003. The consolidation requirements apply to older entities in the first period ending after March 15, 2004. Certain disclosure requirements apply to all financial statements issued after December 31, 2003. The application of FIN 46 has not and is not expected to have a material impact on our financial position or results of operations.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies financial accounting and reporting for derivative instruments and hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", by requiring that contracts with comparable characteristics be accounted for similarly to result in more consistent reporting of contracts as either derivatives or hybrid instruments. This statement was effective for contracts entered into or modified after June 30, 2003. We adopted SFAS No. 149 on July 1, 2003 with no material impact on our consolidated financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This statement establishes standards for an issuer's classification and measurement of certain financial instruments with characteristics of both liabilities and equity and requires that such financial instruments generally be classified as a liability as those instruments embody obligations of the issuer. This statement was effective for financial instruments entered into or modified after May 31, 2003, and was otherwise effective for most financial instruments included in the scope of the standard beginning the interim period beginning after June 15, 2003. Our adoption of SFAS No. 150 on July 1, 2003, had no material impact upon our consolidated financial position or results of operations.

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. Our primary exposure 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 supplemented by hedging activities as considered necessary. We cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

The amount of outstanding borrowings under the various debt instruments is expected to increase now that the proceeds of the initial public offerings of our common stock and the Notes have substantially been used in the construction of Wynn Las Vegas.

The following table provides information about our long-term indebtedness as of December 31, 2003:

	Maturity Date	Face Amount	Carrying Value	Estimated Fair Value
		(in thousands)		
FF&E Facility, interest at LIBOR plus 4% (approximately 5.15% at December 31, 2003)	October 2009	$ 38,000	$ 38,000	$ 38,000
12% Second Mortgage Notes	November 2010	370,000	343,900	440,300
Total long-term debt		$ 408,000	$ 381,900	$ 478,300

The following table provides estimated future cash flow information derived from our best estimates of repayments at December 31, 2003 on expected long-term indebtedness discussed above. However, we cannot predict the LIBOR rates that will be in effect in the future. Accordingly, the LIBOR rate at December 31, 2003 equal to 1.15% is used for all calculations in the table below.

	As of December 31,						
	2004	2005	2006	2007	2008	Thereafter	Total
	(in millions)						
Long-term debt:							
Fixed rate	$ —	—	$ —	$ —	$ —	$ 370.0	$ 370.0
Average interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	12.00%	12.00%
Variable rate	—	$20.1	$82.5	$96.0	$830.8	$ 135.3	$1,164.7
Average interest rate	0.00%	6.65%	6.65%	6.65%	5.34%	5.54%	5.59%

Consistent with our obligation under agreements governing our variable-rate debt facilities to obtain interest rate protection for at least $325 million of borrowings thereunder, in May and June 2003, we entered into two interest rate swap arrangements to hedge the underlying interest rate risk on our expected future variable-rate borrowings. The swap notional amounts gradually increase correspondingly with the amounts and timing of our expected borrowings, to a total of $825 million during the period from March 2004 through December 2006.

Our swap instruments have been designated by us as cash flow hedges in accordance with applicable accounting pronouncements, and as of September 30, 2004 and December 31, 2003, we recorded approximately $5.9 million and $8.8 million in other assets, respectively, to reflect their fair value. The $2.9 million decrease in the fair value during the nine months ended September 30, 2004 was recorded as a component of comprehensive income. The fair value approximates the amount we would receive if these contracts were settled at the respective valuation date. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods.

The following table provides information about the interest rate swaps as of December 31, 2003 and using estimated future LIBOR rates based upon implied forward rates in the yield curve:

	Expected Averages as of December 31,						
	2004	2005	2006	2007	2008	Thereafter	Total
	(in millions)						
Average notional amount	$211.0	$755.8	$797.9	$—	$—	$ —	n/a
Average pay rate	2.67%	2.68%	2.68%	—	—	—	n/a
Average receive rate	1.38%	2.89%	3.93%	—	—	—	n/a

We do not use derivative financial instruments, other financial instruments or derivative commodity instruments for trading or speculative purposes.

Approximately $360.6 million of our outstanding indebtedness at September 30, 2004 was based upon a variable, LIBOR rate plus a premium. It is estimated that a 1% increase in the LIBOR would have increased our interest cost by approximately $537,000 and $731,000, for the three and nine month periods ended September 30, 2004, respectively. Approximately $38 million of the Company’s outstanding indebtedness for 2003 was based upon a variable, LIBOR rate plus a premium. As such, a 1% increase in the LIBOR would have increased our 2003 interest costs by approximately $380,000.