

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

FORM 10-Q

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

For the quarterly period ended June 30, 2006

OR

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

For the transition period from _____ to _____

Commission File No. 000-50028

WYNN RESORTS, LIMITED

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

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

<u>Class</u>	<u>Outstanding at August 1, 2006</u>
Common stock, \$0.01 par value	100,881,695

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WYNN RESORTS, LIMITED AND SUBSIDIARIES

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

	June 30, 2006	December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 378,952	\$ 434,289
Restricted cash and investments	82,272	98,271
Receivables, net	65,772	88,468
Inventories	49,951	39,884
Prepaid expenses	25,110	23,630
Total current assets	602,057	684,542
Restricted cash and investments	372,324	344,331
Property and equipment, net	2,814,005	2,663,870
Intangibles, net	69,862	60,480
Deferred financing costs, net	88,165	95,619
Deposits and other assets	149,859	91,371
Investment in unconsolidated affiliates	5,193	5,070
Total assets	\$ 4,101,465	\$ 3,945,283
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 15,696	\$ 15,489
Current portion of long-term land concession obligation	9,211	8,984
Accounts and construction payable	75,078	79,768
Accrued interest	14,554	15,733
Accrued compensation and benefits	38,731	36,772
Other accrued expenses	24,633	28,374
Customer deposits and other liabilities	36,973	66,120
Construction retention	15,806	18,539
Total current liabilities	230,682	269,779
Long-term debt	2,279,617	2,090,846
Long-term land concession obligation	14,594	19,218
Other long-term liabilities	1,088	1,788
Construction retention	5,717	757
Total liabilities	2,531,698	2,382,388
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, par value \$0.01; authorized 40,000,000 shares; zero shares issued and outstanding	—	—
Common stock, par value \$0.01; authorized 400,000,000 shares; 100,706,646 and 99,331,294 shares issued and outstanding	1,007	993
Additional paid-in capital	1,995,654	1,972,847
Deferred compensation - restricted stock	—	(15,784)
Accumulated other comprehensive (loss)	(229)	—
Accumulated deficit	(426,665)	(395,161)
Total stockholders' equity	1,569,767	1,562,895
Total liabilities and stockholders' equity	\$ 4,101,465	\$ 3,945,283

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005 (as restated)	2006	2005 (as restated)
Operating revenues:				
Casino	\$ 113,527	\$ 98,715	\$ 240,041	\$ 98,715
Rooms	69,222	44,632	137,399	44,632
Food and beverage	77,686	48,056	152,320	48,056
Entertainment, retail and other	49,389	34,651	98,346	34,659
	<u>309,824</u>	<u>226,054</u>	<u>628,106</u>	<u>226,062</u>
Gross revenues				
Less promotional allowances	(36,454)	(24,934)	(77,511)	(24,934)
	<u>273,370</u>	<u>201,120</u>	<u>550,595</u>	<u>201,128</u>
Operating costs and expenses:				
Casino	57,920	42,280	121,156	42,280
Rooms	18,140	11,780	35,125	11,780
Food and beverage	49,423	33,706	94,182	33,706
Entertainment, retail and other	34,112	20,262	66,626	20,266
General and administrative	49,011	31,010	95,976	31,014
Provision for doubtful accounts	3,646	8,599	6,575	8,599
Pre-opening costs	17,028	43,365	25,974	81,469
Depreciation and amortization	40,542	26,125	82,327	29,619
Contract termination fee	—	—	5,000	—
Property charges and other	2,376	48	7,325	110
	<u>272,198</u>	<u>217,175</u>	<u>540,266</u>	<u>258,843</u>
Total operating costs and expenses				
Equity in income from unconsolidated affiliates	511	251	1,086	251
	<u>1,683</u>	<u>(15,804)</u>	<u>11,415</u>	<u>(57,464)</u>
Operating income/(loss)				
Other income/(expense):				
Interest and other income	9,617	6,983	18,049	13,165
Interest expense	(35,307)	(27,143)	(71,250)	(29,292)
Increase/(decrease) in swap fair value	4,246	(5,814)	10,591	1,887
	<u>(21,444)</u>	<u>(25,974)</u>	<u>(42,610)</u>	<u>(14,240)</u>
Other income (expense), net				
Loss before income taxes	(19,761)	(41,778)	(31,195)	(71,704)
Provision for income taxes	(309)	—	(309)	—
	<u>\$ (20,070)</u>	<u>\$ (41,778)</u>	<u>\$ (31,504)</u>	<u>\$ (71,704)</u>
Net loss				
Basic and diluted (loss) per common share:				
Net loss:				
Basic	\$ (0.20)	\$ (0.43)	\$ (0.32)	\$ (0.73)
Diluted	\$ (0.20)	\$ (0.43)	\$ (0.32)	\$ (0.73)
Weighted average common shares outstanding:				
Basic	99,830	98,203	99,286	98,132
Diluted	99,830	98,203	99,286	98,132

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

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

	Six Months Ended June 30,	
	2006	2005 <small>(as restated)</small>
Cash flows from operating activities:		
Net loss	\$ (31,504)	\$ (71,704)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	82,327	29,619
Stock-based compensation	7,802	2,653
Amortization of deferred financing costs	7,466	6,597
Provision for doubtful accounts	6,575	8,599
Property charges and other	7,325	5
Equity in income of unconsolidated affiliates, net of distributions	(123)	(251)
Increase in swap fair value	(10,591)	(1,887)
Increase (decrease) in cash from changes in:		
Receivables	16,121	(63,916)
Inventories and prepaid expenses	(11,547)	(31,433)
Accounts payable and accrued expenses	(32,393)	103,395
Net cash provided by (used in) operating activities	41,458	(18,323)
Cash flows from investing activities:		
Capital expenditures	(225,584)	(559,393)
Restricted cash and investments	(11,994)	350,355
Investment in unconsolidated affiliates	—	(3,500)
Intangibles and other assets	(73,527)	(20,535)
Proceeds from sale of equipment	—	24
Net cash used in investing activities	(311,105)	(233,049)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	4,788	1,065
Proceeds from the issuance of long-term debt	227,279	437,186
Principal payments on long-term debt	(13,032)	(19,354)
Payments on long-term land concession obligation	(4,397)	(4,222)
Payment for deferred financing costs	(328)	(7,768)
Net cash provided by financing activities	214,310	406,907
Cash and cash equivalents:		
Increase in cash and cash equivalents	(55,337)	155,535
Balance, beginning of period	434,289	330,261
Balance, end of period	\$ 378,952	\$ 485,796

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

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

1. Organization and Basis of Presentation

Wynn Resorts, Limited, a Nevada corporation (together with its subsidiaries, “Wynn Resorts” or the “Company”), was formed in June 2002 and completed an initial public offering of its common stock on October 25, 2002. Wynn Resorts’ predecessor, Valvino Lamore, LLC (“Valvino”), was formed on April 21, 2000 as a Nevada limited liability company to purchase the Desert Inn Resort and Casino for the site of the Company’s first casino resort in Las Vegas, Nevada, hereinafter referred to as “Wynn Las Vegas.”

In June 2002, Valvino’s indirect subsidiary, Wynn Resorts (Macau), S.A. (“Wynn Macau, S.A.”), entered into an agreement with the government of the Macau Special Administrative Region of the People’s Republic of China (“Macau”), granting Wynn Macau, S.A. the right to construct and operate one or more casino gaming properties in Macau. Wynn Macau, S.A.’s first casino resort in Macau is hereinafter referred to as “Wynn Macau.”

The Company commenced operations with the opening of Wynn Las Vegas on April 28, 2005. The construction and development of Wynn Macau and the expansion of Wynn Las Vegas, known as “Encore at Wynn Las Vegas” or “Encore,” are ongoing. For the periods presented prior to April 28, 2005, the Company was solely a development stage company.

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

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures herein are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the results for the interim periods have been made. The results for the three and six months ended June 30, 2006 are not necessarily indicative of results to be expected for the full fiscal year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company’s Annual Report on Form 10-K for the year ended December 31, 2005.

2. Summary of Significant Accounting Policies

Reclassifications

Amounts previously classified as “Loss on sale of assets” and “Loss from incidental operations” for the three and six months ended June 30, 2005 have been reclassified as “property charges and other” to conform with the presentation for the three and six months ended June 30, 2006. These reclassifications had no effect on the previously reported net loss.

Accounts receivable and credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of “markers” to approved

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

casino customers following investigations of creditworthiness. At June 30, 2006 and December 31, 2005, approximately 61% and 70%, respectively of the Company's receivables were due from customers residing in foreign countries. Business or economic conditions or other significant events in these countries could affect the collectibility of such receivables.

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

Inventories

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

Revenue recognition and promotional allowances

Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. Hotel, food and beverage, entertainment and other operating revenues are recognized when services are performed. Advance deposits on rooms and advance ticket sales are recorded as deferred revenues until services are provided to the customer.

Revenues are recognized net of certain sales incentives in accordance with the Emerging Issues Task Force ("EITF") consensus on Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)." EITF 01-9 requires that sales incentives be recorded as a reduction of revenue; consequently, the Company's casino revenues are reduced by discounts and points earned in customer loyalty programs, such as the players club loyalty program.

The retail value of accommodations, food and beverage, and other services furnished to guests without charge is included in gross revenue and then deducted as promotional allowances. The estimated cost of providing such promotional allowances for the three and six months ended June 30, 2006 and 2005 is primarily included in casino expenses as follows (amounts in thousands):

	June 30, 2006		June 30, 2005	
	3 months	6 months	3 months	6 months
Rooms	\$ 5,916	\$ 12,044	\$ 4,150	\$ 4,150
Food & Beverage	13,385	29,232	9,981	9,981
Entertainment, retail and other	2,126	4,756	2,258	2,258
Total	\$ 21,427	\$ 46,032	\$ 16,389	\$ 16,389

Advertising Costs

The Company expenses advertising costs the first time the advertising runs. Advertising costs incurred in development periods are included in pre-opening costs. Since the opening of Wynn Las Vegas on April 28, 2005,

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

advertising costs relating to Wynn Las Vegas have been included in general and administrative expenses, while any advertising costs relating to Wynn Macau or, when it becomes applicable, Encore, will continue to be included in pre-opening costs. Total advertising costs for the three and six months ended June 30, 2006 and 2005 are as follows (amounts in thousands):

Expense category:	June 30, 2006		June 30, 2005	
	3 months	6 months	3 months	6 months
General and administrative	\$ 5,496	\$10,960	\$ 1,673	\$ 1,673
Pre-opening costs	602	681	6,801	9,321
Total	\$ 6,098	\$11,641	\$ 8,474	\$ 10,994

Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 123(R), “Share Based Payment.” This statement is a revision of SFAS No. 123, “Accounting for Stock-Based Compensation” and supercedes APB Opinion No. 25 and related interpretations. SFAS No. 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods and services or incurs a liability in exchange for goods and services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments. It requires an entity to measure the costs of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize that cost over the service period. The Company adopted this statement on January 1, 2006 under the modified prospective method. The Company uses the Black-Scholes valuation model to determine the estimated fair value for each option grant issued. The Black-Scholes determined fair value net of estimated forfeitures is amortized as compensation cost on a straight line basis over the service period. In applying the modified prospective method, financial statements of prior periods presented do not reflect any adjusted amounts (i.e. prior periods do not include compensation cost calculated under the fair value method).

Further information on the Company’s share-based compensation arrangements is included in Note 11. Share-Based Compensation.

In June 2006, the Financial Accounting Standards Board (“FASB”) issued Interpretation No. 48 “Accounting for Uncertainty in Income Taxes”. This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements in accordance with FASB Statement No. 109, “Accounting for Income Taxes”. The interpretation provides guidance on classification, interest and penalties, accounting in interim periods, disclosure, and translation. This interpretation is effective for fiscal years beginning after December 15, 2006. The Company believes the adoption of this statement, effective January 1, 2007, will not have a material impact on its consolidated financial statements.

3. Earnings Per Share

Earnings per share are calculated in accordance with SFAS No. 128, “Earnings Per Share,” which provides for the reporting of “basic,” or undiluted, earnings per share (“EPS”) and “diluted” EPS. Basic EPS is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted EPS reflects the addition of potentially dilutive securities. For the three and six months ended June 30, 2006 and 2005, the Company has recorded net losses causing potentially dilutive securities to be anti-dilutive. As a result, basic EPS is equal to diluted EPS for all periods presented. The calculation of diluted EPS at June 30, 2006 excludes

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

the following anti-dilutive securities: 3,329,750 shares issuable upon exercise of stock options, 270,000 shares under nonvested stock grants and 9,768,948 shares issuable upon conversion of the 6% Convertible Subordinated Debentures due 2015 (the “Debentures”). The calculation of diluted EPS at June 30, 2005 excludes the following anti-dilutive securities: 2,674,300 shares issuable upon exercise of stock options, 1,033,892 shares under nonvested stock grants and 10,869,550 shares issuable upon conversion of the Debentures.

4. Comprehensive Loss

Comprehensive loss for the three and six months ended June 30, 2006 was (amounts in thousands):

	June 30, 2006	
	3 months	6 months
Net loss	\$(20,070)	\$(31,504)
Currency translation adjustment	(229)	(229)
Comprehensive loss	<u>\$(20,299)</u>	<u>\$(31,733)</u>

Prior to the second quarter of 2006, the impact of the currency translation adjustment on the financial statements of the Company was not material.

5. Supplemental Disclosure of Cash Flow Information

Interest paid for the six months ended June 30, 2006 and 2005 totaled approximately \$80.1 million and \$63.4 million, respectively. Interest capitalized for the six months ended June 30, 2006 and 2005 totaled approximately \$14.9 million and \$41.3 million, respectively.

Stock-based compensation related to employees dedicated to the construction of Wynn Las Vegas and Wynn Macau that was capitalized into construction in progress for the six months ended June 30, 2006 and 2005 totaled approximately \$1.0 million and \$1.1 million, respectively.

During the six months ended June 30, 2006, approximately \$25.3 million principal amount of the Debentures were converted into 1,100,602 shares of the common stock of Wynn Resorts, Limited. Accordingly, long-term debt was reduced by approximately \$25.3 million, equity was increased by approximately \$24.6 million and deferred financing costs were reduced by approximately \$669,000.

During the six months ended June 30, 2006, approximately \$1.1 million of decreases in construction payables and retention were included in capital expenditures. During the six months ended June 30, 2005, capital expenditures include approximately \$648,000 of payments made to decrease construction payables and retention.

6. Related Party Transactions

Amounts Due to Officers

The Company periodically provides services to Stephen A. Wynn, Chairman of the Board of Directors and Chief Executive Officer (“Mr. Wynn”), and certain other officers of the Company, which services include household services, construction work and other personal services. Mr. Wynn and other officers have deposits with the Company to prepay any such items, which are replenished on an ongoing basis as needed. At June 30, 2006 and December 31, 2005, the Company owed Mr. Wynn and the other officers approximately \$285,000 and \$412,000, respectively.

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

The Wynn Collection

From the opening of Wynn Las Vegas through February 2006, the resort included an art gallery that displayed rare paintings from a private collection of fine art owned by Mr. and Mrs. Wynn. The Company leased the artwork from Mr. and Mrs. Wynn for an annual fee of one dollar (\$1), and the Company was entitled to retain all revenues from the public display of the artwork and the related merchandising revenues. The Company was responsible for all expenses incurred in exhibiting and safeguarding the artwork, including the cost of insurance (including terrorism insurance) and taxes relating to the rental of the art. In February 2006, the Company closed the art gallery and began converting the gallery location into additional retail stores. The Company continues to lease works of art from Mr. and Mrs. Wynn for an annual fee of one dollar (\$1) and continues to display certain pieces throughout Wynn Las Vegas. All expenses in exhibiting and safeguarding the artwork displayed at Wynn Las Vegas are the responsibility of the Company.

The “Wynn” Surname Rights Agreement

On August 6, 2004, the Company entered into agreements with Mr. Wynn that confirm and clarify the Company’s rights to use the “Wynn” name and Mr. Wynn’s persona in connection with its casino resorts. Under the parties’ Surname Rights Agreement, Mr. Wynn granted the Company an exclusive, fully paid-up, perpetual, worldwide license to use, and to own and register, trademarks and service marks incorporating the “Wynn” name for casino resorts and related businesses, together with the right to sublicense the name and marks to its affiliates. Under the parties’ Rights of Publicity License, Mr. Wynn granted the Company the exclusive, royalty-free, worldwide right to use his full name, persona and related rights of publicity for casino resorts and related businesses, together with the ability to sublicense the persona and publicity rights to its affiliates, until October 24, 2017.

Villa Suite Lease

Effective July 1, 2005, Mr. Wynn and his wife, Elaine P. Wynn (“Mrs. Wynn”), who is also a director of Wynn Resorts, lease from year to year a villa suite in the Wynn Las Vegas resort as their personal residence. Rent is determined each year by the Audit Committee of the Board of Directors of Wynn Resorts (the “Audit Committee”), and is based on the fair market value of the use of the suite accommodations. Based on third-party appraisals, the Audit Committee has determined the rent for each annual period from July 1, 2005 through June 30, 2008 is \$580,000. All services for, and maintenance of, the suite are included in the rental, with certain exceptions.

7. Receivables, net

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

	<u>June 30, 2006</u>	<u>December 31, 2005</u>
Casino	\$ 68,336	\$ 83,936
Hotel	13,725	12,660
Other	5,205	7,684
	<u>87,266</u>	<u>104,280</u>
Less: allowance for doubtful accounts	(21,494)	(15,812)
	<u>\$ 65,772</u>	<u>\$ 88,468</u>

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

8. Property and Equipment

Property and equipment consist of the following (amounts in thousands):

	June 30, 2006	December 31, 2005
Land and improvements	\$ 602,592	\$ 599,278
Buildings and improvements	1,162,508	1,159,364
Airplanes	57,582	57,582
Furniture, fixtures and equipment	615,123	594,474
Leasehold interest in land	67,230	67,118
Construction in progress	480,389	286,570
	<u>2,985,424</u>	<u>2,764,386</u>
Less: accumulated depreciation	(171,419)	(100,516)
	<u>\$ 2,814,005</u>	<u>\$ 2,663,870</u>

As of June 30, 2006 and December 31, 2005, construction in progress includes interest and other costs capitalized in conjunction with the Wynn Macau and Encore projects.

9. Long-Term Debt

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

	June 30, 2006	December 31, 2005
6 ⁵ / ₈ % First Mortgage Notes, due December 1, 2014	\$ 1,300,000	\$ 1,300,000
6% Convertible Subordinated Debentures, due July 15, 2015	224,686	250,000
\$600.0 million Revolving Credit Facility; due December 14, 2009; interest at LIBOR plus 2.25% (approximately 7.6% and 6.7%)	—	10,000
\$400.0 million Delay Draw Term Loan Facility; due December 14, 2011 interest at LIBOR plus 2.125% (approximately 7.5% and 6.5%)	400,000	400,000
Senior Term Loan Facilities; due September 14, 2011; interest at LIBOR or HIBOR plus 3.0%, decreasing to LIBOR or HIBOR plus 2.75% upon opening of Wynn Macau (approximately 8.35% and 7.3%)	306,044	78,944
\$44.75 million note payable; due March 31, 2010; interest at LIBOR plus 2.375% (approximately 7.725% and 6.902%)	41,057	43,536
Note payable - Aircraft; interest at 5.67%	13,635	13,986
12% Second Mortgage Notes, net of original issue discount of approximately \$395 and \$440, respectively due November 1, 2010	9,747	9,702
Other	144	167
	<u>2,295,313</u>	<u>2,106,335</u>
Current portion of long-term debt	(15,696)	(15,489)
	<u>\$ 2,279,617</u>	<u>\$ 2,090,846</u>

Wynn Las Vegas Credit Facilities

On March 15, 2006, the Company amended the agreement (the "Credit Agreement") governing its \$600 million Revolving Credit Facility and its \$400 million Delay Draw Term Loan Facility (together, the "Wynn Las Vegas Credit Facilities" or the "Credit Facilities") to (a) allow the Company to issue up to \$100.0 million of

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

additional 6⁵/₈% First Mortgage Notes due December 1, 2014 (the “First Mortgage Notes”); (b) simplify draw procedures under the agreement governing the disbursement of funds restricted under the Credit Agreement (the “Disbursement Agreement”); (c) consolidate certain accounts under the Disbursement Agreement; (d) amend and clarify certain of the conditions for the approval of the budget, plans and specifications of Encore; (e) extend the outside opening date for Encore and the outside completion date for Encore to June 30, 2009 and September 30, 2009, respectively; and (f) permit expenditures of up to \$150.0 million on Encore prior to the execution of a guaranteed maximum price contract.

On June 30, 2006, in anticipation of a contemplated refinancing of the Credit Facilities, the Company further amended the Credit Agreement to: (i) clarify the Credit Agreement’s definition of “Consolidated Total Debt”; and (ii) change the Consolidated Interest Coverage Ratio (as defined in the Credit Agreement) applicable on Quarterly Dates (as defined in the Credit Agreement) on or prior to September 30, 2007 from 2.25:1 to 2.00:1.

On July 7, 2006, the Company engaged Deutsche Bank Trust Company Americas, Deutsche Bank Securities Inc., Bank of America, N.A. and Banc of America Securities LLC in connection with the proposed refinancing of the Wynn Las Vegas Credit Facilities.

Wynn Macau Credit Facilities

On June 22, 2006, Wynn Macau, S.A. received consent from its lending syndicate allowing Wynn Macau, S.A. to amend certain provisions of its credit agreement to permit Wynn Macau to fund the additional \$68.4 million in costs associated with three change orders to its guaranteed maximum price construction contract and other increases in Wynn Macau’s project budget entirely from its existing \$764 million senior secured credit facilities. The additional costs are to be incurred in connection with preparatory work for additional gaming space located in the expansion of Phase II, a series of enhancements and upgrades to the overall project and an electronic marquee sign at the entrance to Wynn Macau.

Wynn Macau will fund \$60.5 million from its existing \$72 million contingent debt facility and \$7.9 million of costs from its existing \$20 million credit facility with Banco Nacional Ultramarino, S.A.

Debt Covenant Compliance

As of June 30, 2006, the Company was in compliance with all covenants governing the Company’s debt facilities.

10. Interest Rate Swaps

The Company has entered into interest rate swap arrangements to effectively fix the interest on certain floating-rate debt borrowings. The following table presents the historical asset or (liability) fair values of the Company’s interest rate swap arrangements (reflected in deposits and other assets or in other long-term liabilities as appropriate) as of June 30, 2006 and December 31, 2005 (amounts in thousands):

<u>Asset / (Liability) Fair Value at:</u>	<u>Wynn Las Vegas Interest Rate Swaps</u>	<u>Wynn Macau Interest Rate Swaps</u>	<u>All Interest Rate Swaps</u>
June 30, 2006	\$ 15,853	\$ 3,473	\$ 19,326
December 31, 2005	\$ 10,523	\$ (1,788)	\$ 8,735

The fair value approximates the amount the Company would receive or pay if these contracts were settled at the respective valuation dates. Fair value is estimated based upon current, and predictions of future, interest rate

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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 Company accounts for these interest rate swaps in accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities* (“SFAS No. 133”), and its related interpretations. Accordingly, during the three and six months ended June 30, 2006 and 2005, the Company recorded the following amounts as increases or decreases to swap fair value, a component of other income (expense) (amounts in thousands):

Increase/(Decrease) in Swap Fair Value for the periods:	Wynn Las Vegas Interest Rate Swaps	Wynn Macau Interest Rate Swaps	All Interest Rate Swaps
Three months ended June 30, 2006	\$ 1,975	\$ 2,271	\$ 4,246
Six months ended June 30, 2006	\$ 5,330	\$ 5,261	\$ 10,591
Three months ended June 30, 2005	\$ (5,814)	\$ —	\$ (5,814)
Six months ended June 30, 2005	\$ 1,887	\$ —	\$ 1,887

11. Share-Based Compensation

The Company has adopted the 2002 Stock Incentive Plan (the “Stock Plan”) to provide stock compensation arrangements for directors, officers and key employees, and others. The Stock Plan includes provisions for the grant of (i) Incentive Stock Options (“ISO”), (ii) compensatory (i.e. nonqualified) stock options (“NQSO”) and (iii) nonvested shares of the common stock of Wynn Resorts, Limited (“Common Stock”). Officers, key employees, directors (whether employee or nonemployee) and independent contractors or consultants of the Company and its subsidiaries are eligible to participate in the Stock Plan. However, only employees of the Company and its subsidiaries are eligible to receive incentive stock options.

A maximum of 9,750,000 shares of Common Stock were reserved for issuance under the Stock Plan. As of June 30, 2006, 4,606,712 shares remain available for the grant of stock options or nonvested shares of Common Stock.

Stock Options

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; 25% each year over four years; 33.33% for each of the third, fourth and fifth years; cliff vesting at a determined date; and others to be determined at the time of grant. All options expire ten years from the date of grant.

A summary of option activity under the Stock Plan as of June 30, 2006, and the changes during the six months then ended is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2006	3,484,800	\$ 36.62		
Granted	143,500	\$ 68.24		
Exercised	(224,750)	\$ 21.30		
Canceled	(73,800)	\$ 39.45		
Outstanding at June 30, 2006	3,329,750	\$ 38.92	8.01	\$ 114,536,038
Exercisable at June 30, 2006	1,117,500	\$ 23.09	7.08	\$ 56,115,163

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The weighted average fair value of options granted during the six months ended June 30, 2006 and 2005 was \$30.65 and \$24.84, respectively. The total intrinsic value of the options exercised for the six months ended June 30, 2006 and 2005 was \$11.0 million and \$2.3 million, respectively. Net cash proceeds from the exercise of stock options were \$4.8 million and \$1.1 million for the six months ended June 30, 2006 and 2005, respectively. Since all deferred tax assets are fully reserved, these amounts did not create any tax benefit.

Nonvested Shares

A summary of the status of the Stock Plan's nonvested shares as of June 30 2006 and changes during the six months ended June 30, 2006, is presented below:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2006	789,169	\$ 28.35
Granted	50,000	\$ 74.46
Vested	(569,169)	\$ 13.25
Canceled	—	\$ —
Nonvested at June 30, 2006	<u>270,000</u>	<u>\$ 68.70</u>

During the three and six months ended June 30, 2006, the Company recognized compensation cost related to nonvested shares of Common Stock of approximately \$1.5 million and \$2.9 million, respectively. During the three and six months ended June 30, 2005, the Company recognized compensation cost related to the nonvested shares of Common Stock of approximately \$1.8 million and \$3.7 million. Of these amounts, approximately \$418,000 and \$539,000 was capitalized to construction in progress for the three months ended June 30, 2006 and 2005, respectively. Approximately \$957,000 and \$1.1 million was capitalized for the six months ended June 30, 2006 and 2005, respectively. Approximately \$16.6 million of unamortized compensation cost relating to nonvested shares of Common Stock at June 30, 2006, will be recognized as compensation over the vesting period of the related grants through May 2011.

Compensation Cost

In March 2005, the SEC issued Staff Accounting Bulletin ("SAB") No. 107, "Share-Based Payment" to provide interpretive guidance on SFAS No. 123(R) valuation methods, assumptions used in valuation models, and the interaction of SFAS No. 123(R) with existing SEC guidance. SAB No. 107 also requires the classification of stock compensation expense in the same financial statement line items as cash compensation, and therefore impacts the Company's departmental expenses (and related operating margins), pre-opening costs and construction in progress for the Company's development projects, and the Company's general and administrative expenses (including corporate expenses).

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each option grant issued, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Expected volatility is based on implied and historical factors related to the Company's common stock. Expected term represents the weighted average time between the option's grant date and its exercise date. After adoption of SFAS No. 123(R), the Company used the simplified method prescribed by SAB No. 107 for companies with a limited trading history, to estimate expected term. Prior to the adoption of SFAS No. 123(R), the Company used its best estimate and comparisons to industry peers. The risk free interest rate used for each period presented is based on the U.S. Treasury yield curve at the time of grant for the period equal to the expected term.

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The fair value per option was estimated on the date of grant using the following weighted-average assumptions:

	June 30, 2006		June 30, 2005	
	3 months	6 months	3 months	6 months
Expected dividend yield	—	—	—	—
Expected stock price volatility	—	32.5%	35.33%	35.33%
Risk-free interest rate	—	4.9%	3.9%	3.9%
Expected average life of options (years)	—	7.0	5.5	5.5

The adoption of SFAS No. 123(R) and the related interpretations on January 1, 2006 resulted in the Company's elimination of approximately \$15.8 million of deferred compensation against additional paid-in capital. For the three and six months ended June 30, 2006, adoption of SFAS No. 123(R) and the related interpretations resulted in the recognition of approximately \$2.9 million (\$0.03 per share) and \$5.9 million (\$0.06 per share) of compensation cost related to stock options. The compensation cost for the three and six months ended June 30, 2006 is allocated as follows (amounts in thousands):

	June 30, 2006	
	3 months	6 months
Casino	\$ 653	\$ 1,304
Rooms	133	274
Food & Beverage	268	539
Entertainment, retail and other	76	136
General and administrative	1,312	2,656
Preopening expenses	462	950
Total stock option costs expensed	2,904	5,859
Total stock option costs capitalized	45	83
Total stock option costs	\$ 2,949	\$ 5,942

As permitted by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123," the Company continued to apply the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its employee stock-based compensation for the three and six months ended June 30, 2005. Accordingly, compensation expense was recognized only to the extent that the market value at the date of grant exceeded the exercise price.

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The following table illustrates the effect on the net loss that would have resulted had the Company applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" to stock-based employee compensation during the three and six months ended June 30, 2005 (amounts in thousands):

	June 30, 2005	
	3 months	6 months
Net loss as restated	\$(41,778)	\$(71,704)
Less: total stock-based employee compensation expenses determined under the fair value method for all awards	(2,182)	(3,998)
Proforma net loss	\$(43,960)	\$(75,702)
Basic and diluted loss per share:		
As reported	\$ (0.43)	\$ (0.73)
Proforma	\$ (0.45)	\$ (0.77)

12. Commitments and Contingencies

Wynn Las Vegas

Construction and Remodeling. As of June 30, 2006, approximately \$4.5 million of budgeted project costs and retention amounts remained to be paid in order to close out the project. The Company expects these final costs to be paid in the third quarter of 2006.

In the third quarter of 2005, the Company began to make certain enhancements and refinements to Wynn Las Vegas. As a result, the Company has incurred and will continue to incur capital expenditures relating to these enhancements and refinements. Under the terms of the Wynn Las Vegas, LLC credit facilities, the Company is permitted up to \$80.0 million of capital expenditures in 2006, of which approximately \$46.4 million was spent during the six months ended June 30, 2006. These spending limits do not apply to any funds that may be contributed to Wynn Las Vegas, LLC by Wynn Resorts.

Entertainment Productions. In 2002, the Company became a party to long-term agreements for the licensing, creation, development and production of "Le Rêve," the water-based production show which opened at Wynn Las Vegas on April 28, 2005. In 2004, the Company also purchased the rights to, and in August 2005 began to present, the Tony Award-winning musical production "Avenue Q," in Wynn Las Vegas' Broadway Theater.

Under the agreements relating to "Le Rêve" and "Avenue Q," the Company was required to make payments to the creators and producers of each show based upon certain criteria including net ticket sales or profits.

On May 28, 2006, the Company ended Avenue Q's production run at Wynn Las Vegas. To terminate the contract, the Company paid a contract termination fee of \$5.0 million, which was recorded in the first quarter of 2006 in accordance with the liability recognition provisions of Statement of Financial Accounting Standards No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("SFAS 146"). The Company intends to present "Monty Python's Spamalot" in the renovated Broadway Theater. The Company expects to commence public performances of "Monty Python's Spamalot" in the first quarter of 2007.

In April 2006, the Company canceled the 189,723 nonvested shares of Wynn Resorts' common stock granted, subject to certain performance criteria, to the executive producer of "Le Reve."

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On May 31, 2006, Wynn Las Vegas entered into an agreement to acquire substantially all intellectual property rights related to “Le Reve” which were previously only licensed to Wynn Las Vegas. Wynn Las Vegas paid \$15.9 million to acquire substantially all of the rights in and to “Le Reve,” and repaid approximately \$1.4 million of production costs, which were reimbursable to the executive producer of “Le Reve”. The rights acquired enable Wynn Las Vegas to produce, present, enhance, or alter the performance of “Le Reve” after May 31, 2006.

Encore Construction and Development. On March 31, 2006, the Company’s lenders approved a \$1.74 billion project budget and the related plans and specifications for Encore (the “Encore Budget, Plans & Specs”). Encore’s design features a 2,042-room hotel tower fully integrated with Wynn Las Vegas, consisting of approximately 132 suites and 1,910 guest rooms, an approximately 54,000 square foot casino, additional convention and meeting space, as well as restaurants, a nightclub, swimming pools, a spa and salon and retail outlets. The Encore Budget, Plans & Specs includes approximately \$70.0 million to be incurred for an additional employee parking garage located on our Koval property, a related pedestrian bridge, and costs to be incurred in connection with preparing the Broadway Theater to host “Monty Python’s Spamalot.” The Company commenced construction of Encore on April 28, 2006 and expects to open Encore to the public by the end of 2008.

Through June 30, 2006, the Company has incurred approximately \$120.4 million of the Encore budget. These costs have been funded from the Credit Facilities and the proceeds of the First Mortgage Notes. The Company expects that the available remaining proceeds from the First Mortgage Notes, together with availability under the Credit Facilities and cash flow from operations, will be sufficient to pay for expenditures of approximately \$1.5 billion on the Encore project without incurring additional debt or receiving additional capital contributions from Wynn Resorts. Project costs exceeding approximately \$1.5 billion are expected to be funded by an increase of up to \$125.0 million of additional availability in the Credit Facilities and/or contributions from Wynn Resorts.

On March 31, 2006, Wynn Resorts, Limited delivered an equity commitment agreement to the lenders under the Wynn Las Vegas Credit Facilities. Under this agreement, Wynn Resorts has committed to pay up to \$215.3 million of Encore project costs if Wynn Las Vegas, LLC is unable to do so.

Completion Guarantee and Liquidity Reserve. As part of the Wynn Las Vegas financing, the Company contributed \$50.0 million of the net proceeds of the initial public offering of Wynn Resorts’ common stock to Wynn Completion Guarantor, LLC, a special purpose subsidiary of Wynn Las Vegas, LLC formed in October 2002 and deposited those funds into a completion guarantee deposit account to secure completion of Wynn Las Vegas.

In addition, the Company deposited \$30.0 million from the net proceeds of the initial public offering of Wynn Resorts’ common stock into a liquidity reserve account to secure the completion and opening of Wynn Las Vegas.

The liquidity reserve is solely for use of the Wynn Las Vegas project, which is expected to be closed out in the third quarter of 2006. Upon final completion, the liquidity reserve will be released and is expected to be applied to construction costs incurred in connection with Encore. At the final completion of Wynn Las Vegas, \$30.0 million of the \$50.0 million completion guarantee will be retained in connection with the construction of Encore.

Wynn Macau

Construction and Development. Under its casino concession agreement with Macau SAR, Wynn Macau, S.A. is constructing and will own and operate Wynn Macau, a casino resort facility in Macau’s inner harbor area.

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Wynn Macau is being constructed, and will open, in two phases. The first phase of Wynn Macau is expected to open in September of 2006. The second phase is expected to be open in stages and be fully completed by the fourth quarter of 2007.

Construction of Wynn Macau's first phase commenced in June 2004 under a guaranteed maximum price construction contract ("the Construction Contract") between Wynn Macau, S.A. and Leighton Contractors (Asia) Limited, China State Construction Engineering (Hong Kong) Limited and China Construction Engineering (Macau) Company Limited, acting together as general contractor. In September 2005, the Construction Contract was amended and restated to include the second phase of Wynn Macau. Under the amended and restated Construction Contract, the general contractor is responsible for both the construction and design of the project (other than certain limited portions to be designed by an affiliate of Wynn Macau, S.A.) based on an existing scope of work and design specifications provided by Wynn Macau, S.A., for a guaranteed maximum price of approximately \$483 million (including the contractors' fee and contingencies). The performance of the contractors is backed by a full completion guarantee given jointly and severally by Leighton Holdings Limited and China Overseas Holdings Limited, the parent companies of the general contractor.

On June 22, 2006, Wynn Macau, S.A. received consent from its lending syndicate permitting Wynn Macau, S.A. to enter into three change orders to its guaranteed maximum price construction contract. The three change orders implement a series of amendments to the Construction Contract, including providing for the completion of the majority of the first floor of the Wynn Macau expansion as additional gaming space, a series of enhancements and upgrades to the overall project, and adding an electronic marquee sign at the entrance to Wynn Macau. The change orders increase the guaranteed maximum price under the Construction Contract from \$457 million to approximately \$483 million.

Through June 30, 2006, the Company had incurred approximately \$716 million of the approximate total \$1.2 billion of budgeted project costs. Total budgeted project costs include construction and design costs (including construction contingencies) of approximately \$685 million, land acquisition costs of approximately \$49 million, the additional casino expansion and suite enhancements of approximately \$68 million and capitalized interest, pre-opening expenses, financing fees and other costs totaling in the aggregate approximately \$351 million. These costs have been, and will continue to be, paid from the previously funded \$230 million base equity loans from Wynn Resorts, \$80 million from Wynn Las Vegas, LLC and loaned through affiliates to Wynn Macau, S.A. as subordinated debt, Wynn Macau, S.A.'s \$764 million senior secured credit facility and the balance from cash flows from operations.

Land Concession Contract. In June 2004, Wynn Macau, S.A. entered into a land concession contract for the Wynn Macau project site. Under the land concession contract, Wynn Macau, S.A. leases a parcel of approximately 16 acres from the Macau government for an initial term of 25 years, with a right to renew for additional periods. Wynn Macau, S.A. has made four payments to the Macau government under the land concession contract and is required to make seven additional semi-annual payments (including interest) for total payments of approximately \$42.7 million. Wynn Macau, S.A. also paid approximately \$17.9 million to an unrelated third party for its relinquishment of rights to a portion of the land. During the term of the land concession contract, Wynn Macau, S.A. is also required to make annual lease payments of up to \$400,000.

Macau Subconcession Sale. On March 4, 2006, Wynn Macau, S.A. entered into an agreement with Publishing & Broadcasting, Ltd. ("PBL") pursuant to which Wynn Macau, S.A. agreed to sell to PBL a subconcession to operate casino games in Macau for a purchase price of \$900.0 million. The transaction is subject to the approval of the Macau government.

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Cotai Strip Development

The Company has submitted an application with the government of Macau for a land concession for an additional 54 acres of land on the Cotai Strip in Macau for future development.

Leases, License Agreements, and Joint Ventures

Retail operations - The Company is the lessor under six leases for retail operations at Wynn Las Vegas and has entered into license and distribution agreements for five additional retail outlets in Wynn Las Vegas. The Company also is a party to joint venture agreements for the operation of one other retail outlet and the Ferrari and Maserati automobile dealership at Wynn Las Vegas. Each of these retail outlets opened concurrently with the opening of Wynn Las Vegas. Wynn Macau, S.A. has also entered agreements with fifteen entities for their future retail, food and beverage, and other operations.

Other commitments - In addition, the Company is the lessee under several leases for office space in Las Vegas, Macau and certain other locations, warehouse facilities, the land underlying the Company's aircraft hangar and certain office equipment. The Company also leases land from the government of Macau for the site of Wynn Macau.

Self-insurance

The Company's domestic subsidiaries are covered under a self-insured medical plan up to a maximum of \$200,000 per year for each insured person. Amounts in excess of this threshold are covered by the Company's insurance programs, subject to customary policy limits. The Company's foreign subsidiaries are fully-insured.

Employment Agreements

The Company has entered into employment agreements with several executive officers, other members of management and certain key employees. These agreements, other than Mr. Wynn's, generally have three- to five-year terms and indicate a base salary. Certain agreements also contain provisions for guaranteed bonuses. Certain 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 does not have any material litigation as of June 30, 2006.

13. Segment Information

The Company monitors its operations and evaluates earnings by reviewing the assets and operations of Wynn Las Vegas and Wynn Macau. Wynn Las Vegas opened on April 28, 2005. Wynn Macau is currently in the development and construction phase and is expected to open in the third quarter of 2006. The Company's total assets by segment are as follows (in thousands):

	June 30, 2006	December 31, 2005
Total assets		
Wynn Las Vegas (including Encore)	\$ 3,068,404	\$ 3,115,814
Wynn Macau	672,587	471,571
Corporate and other assets	360,474	357,898
Total consolidated assets	\$ 4,101,465	\$ 3,945,283

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The Company's segment information on its results of operations for the three and six months ended June 30, 2006 and 2005, are as follows (in thousands):

	Three Months Ended June 30		Six Months Ended June 30	
	2006	2005 (as restated)	2006	2005 (as restated)
Revenues (1)				
Casino	\$ 113,527	\$ 98,715	\$ 240,041	\$ 98,715
Rooms	69,222	44,632	137,399	44,632
Food and beverage	77,686	48,056	152,320	48,056
Entertainment, retail and other	49,389	34,651	98,346	34,659
	<u>309,824</u>	<u>226,054</u>	<u>628,106</u>	<u>226,062</u>
Gross revenues	309,824	226,054	628,106	226,062
Less promotional allowances	(36,454)	(24,934)	(77,511)	(24,934)
	<u>273,370</u>	<u>201,120</u>	<u>550,595</u>	<u>201,128</u>
Net revenues	\$ 273,370	\$ 201,120	\$ 550,595	\$ 201,128
Adjusted EBITDA (1, 2)	\$ 73,162	\$ 58,735	\$ 154,285	\$ 58,735
Other operating costs and expenses				
Preopening expenses:				
Wynn Las Vegas (including Encore)	(176)	(36,795)	(194)	(65,886)
Wynn Macau	(16,852)	(4,124)	(25,780)	(6,598)
Corporate and other	—	(2,446)	—	(8,985)
Depreciation and amortization:				
Wynn Las Vegas (including Encore)	(37,618)	(24,057)	(76,568)	(25,568)
Wynn Macau	(2,131)	(1,469)	(4,208)	(2,934)
Corporate and other	(793)	(599)	(1,551)	(1,117)
Property charges and other:				
Wynn Las Vegas (including Encore)	(2,376)	(48)	(7,325)	(110)
Wynn Macau	—	—	—	—
Corporate and other	—	—	—	—
Avenue Q contract termination fee	—	—	(5,000)	—
Corporate expenses and other	(11,533)	(5,001)	(22,244)	(5,001)
	<u>(71,479)</u>	<u>(74,539)</u>	<u>(142,870)</u>	<u>(116,199)</u>
Total	(71,479)	(74,539)	(142,870)	(116,199)
Operating income (loss)	1,683	(15,804)	11,415	(57,464)
Other non-operating costs and expenses				
Interest and other income	9,617	6,983	18,049	13,165
Interest expense	(35,307)	(27,143)	(71,250)	(29,292)
Increase/(Decrease) in swap fair value	4,246	(5,814)	10,591	1,887
	<u>(21,444)</u>	<u>(25,974)</u>	<u>(42,610)</u>	<u>(14,240)</u>
Total	(21,444)	(25,974)	(42,610)	(14,240)
Provision for Income Taxes	(309)	—	(309)	—
Net loss	\$ (20,070)	\$ (41,778)	\$ (31,504)	\$ (71,704)

(1) Wynn Macau is currently in the development stage and therefore has no revenues or Adjusted EBITDA.

(2) "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening expenses, property charges, corporate expenses, stock-based compensation, Avenue Q contract termination fee and other non-operating income and expenses. Adjusted EBITDA is presented exclusively as a supplemental

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disclosure because management believes that it is widely used to measure the performance, and as a principal basis for valuation, of gaming companies. Management uses Adjusted EBITDA as the primary measure of the operating performance of its segments and to compare the operating performance of its property with those of its competitors. The Company also presents Adjusted EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to financial measures in accordance with generally accepted accounting principles in the United States ("GAAP"). In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including Wynn Resorts, Limited, have historically excluded from their EBITDA calculations pre-opening expenses, property charges and corporate expenses, which do not relate to the management of specific casino properties. However, Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of the Company's performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We compensate for these limitations by using Adjusted EBITDA as only one of several comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include operating income (loss), net income (loss), cash flows from operations and cash flow data. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in Adjusted EBITDA. Also, Wynn Resorts' calculation of Adjusted EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

14. Restatement

Subsequent to the issuance of the Company's condensed consolidated financial statements for the three and six months ended June 30, 2005, the Company determined that its interest rate swap arrangements relating to certain of its floating-rate debt facilities did not qualify for hedge accounting under Statement of Financial Accounting Standards No. 133 and its related interpretations. The Company's hedge documentation includes, among other items, the assumption that the repricing dates for its debt and swaps match. The documentation required to assess ineffectiveness resulting from having different repricing dates was not in place at the inception of the hedge, nor during the periods for which an assessment was required, and the Company determined that the repricing dates on the swap instruments did not match exactly the repricing dates on the floating-rate debt. Documentation deficiencies cannot be corrected, and quarterly testing cannot be performed, retrospectively. As a result of the documentation deficiencies, hedge accounting should not have been used. Accordingly, the Company restated its condensed consolidated financial statements for the three and six months ended June 30, 2005 to eliminate the application of hedge accounting. Eliminating the application of hedge accounting resulted in recording the mark to market adjustments for the interest rate swaps as increase/(decrease) in swap fair value, a component of other income (expense), net and not in comprehensive income, as was previously reported.

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A summary of the significant effects of the restatement on the June 30, 2005 condensed consolidated financial statements is as follows (amounts in thousands except per share data):

	For the Three Months Ended June 30, 2005		For the Six Months Ended June 30, 2005	
	As Previously Reported	As Restated	As Previously Reported	As Restated
Condensed Consolidated Statement of Operations:				
Increase/(Decrease) in swap fair value	\$ —	\$ (5,814)	\$ —	\$ 1,887
Interest expense	\$ (26,341)	\$ (27,143)	\$ (28,490)	\$ (29,292)
Other income (expense), net	\$ (19,358)	\$ (25,974)	\$ (15,325)	\$ (14,240)
Net loss	\$ (35,162)	\$ (41,778)	\$ (72,789)	\$ (71,704)
Basic and diluted loss per share	\$ (0.36)	\$ (0.43)	\$ (0.74)	\$ (0.73)
Condensed Consolidated Statement of Cash Flows:				
Net loss	n/a	n/a	\$ (72,789)	\$ (71,704)
Increase in swap fair value	n/a	n/a	\$ —	\$ (1,887)
Capital expenditures	n/a	n/a	\$ (560,195)	\$ (559,393)

15. Consolidating Financial Information of Guarantors and Issuers

The following condensed consolidating financial statement information is related to Wynn Resorts (the “Parent”), which is the issuer of the Debentures, Wynn Resorts Funding, LLC, a subsidiary of the Parent that guarantees the Debentures (the “Convertible Debentures Guarantor”), and non-guarantor subsidiaries as of June 30, 2006 and December 31, 2005, and for the three and six months ended June 30, 2006 and 2005.

The following condensed consolidating financial statement information is presented in the form provided because: (i) the Convertible Debentures Guarantor is a wholly-owned subsidiary of the Parent; (ii) the guarantee is considered to be full and unconditional (that is, if the Parent fails to make a scheduled payment, the Convertible Debentures Guarantor is obligated to make the scheduled payment immediately and, if it does not, any holder of the Debentures may immediately bring suit directly against the Convertible Debentures Guarantor for payment of all amounts due and payable); and (iii) the guarantee is joint and several.

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2006
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 312,098	\$ —	\$ 66,854	\$ —	\$ 378,952
Restricted cash and investments	—	7,591	74,681	—	82,272
Receivables, net	7	—	65,765	—	65,772
Inventories	—	—	49,951	—	49,951
Prepaid expenses	134	—	24,976	—	25,110
Total current assets	312,239	7,591	282,227	—	602,057
Restricted cash and investments	1,305	—	371,019	—	372,324
Property and equipment, net	588	—	2,813,417	—	2,814,005
Intangibles, net	—	—	69,862	—	69,862
Deferred financing costs, net	5,922	—	82,243	—	88,165
Deposits and other assets	6,907	—	142,952	—	149,859
Investment in unconsolidated affiliates	1,262,084	—	5,193	(1,262,084)	5,193
Intercompany balances	218,825	37,496	(256,321)	—	—
Total assets	\$1,807,870	\$ 45,087	\$ 3,510,592	\$ (1,262,084)	\$ 4,101,465
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ —	\$ —	\$ 15,696	\$ —	\$ 15,696
Current portion of land concession obligation	—	—	9,211	—	9,211
Accounts and construction payable	—	—	75,078	—	75,078
Accrued interest	6,179	—	8,375	—	14,554
Accrued compensation and benefits	6,740	—	31,991	—	38,731
Other accrued expenses	498	—	24,135	—	24,633
Customer deposits and other liabilities	—	—	36,973	—	36,973
Construction retention	—	—	15,806	—	15,806
Total current liabilities	13,417	—	217,265	—	230,682
Long-term debt	224,686	—	2,054,931	—	2,279,617
Long-term land concession obligation	—	—	14,594	—	14,594
Other long-term liabilities	—	—	1,088	—	1,088
Construction retention	—	—	5,717	—	5,717
Total liabilities	238,103	—	2,293,595	—	2,531,698
Commitments and contingencies					
Stockholders' equity:					
Preferred Stock	—	—	—	—	—
Common stock	1,007	—	—	—	1,007
Additional paid-in capital	1,995,654	44,028	1,627,181	(1,671,209)	1,995,654
Accumulated other comprehensive income (loss)	(229)	—	(229)	229	(229)
Retained earnings (accumulated deficit)	(426,665)	1,059	(409,955)	408,896	(426,665)
Total stockholders' equity	1,569,767	45,087	1,216,997	(1,262,084)	1,569,767
Total liabilities and stockholders' equity	\$1,807,870	\$ 45,087	\$ 3,510,592	\$ (1,262,084)	\$ 4,101,465

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET INFORMATION
AS OF DECEMBER 31, 2005
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 308,013	\$ —	\$ 126,276	\$ —	\$ 434,289
Restricted cash and investments	1,064	15,001	82,206	—	98,271
Receivables, net	31	—	88,437	—	88,468
Inventories	—	—	39,884	—	39,884
Prepaid expenses	324	—	23,306	—	23,630
	<u>309,432</u>	<u>15,001</u>	<u>360,109</u>	<u>—</u>	<u>684,542</u>
Total current assets	309,432	15,001	360,109	—	684,542
Restricted cash and investments	23	—	344,308	—	344,331
Property and equipment, net	530	—	2,663,340	—	2,663,870
Intangibles, net	—	—	60,480	—	60,480
Deferred financing costs, net	6,934	—	88,685	—	95,619
Deposits and other assets	3,454	—	87,917	—	91,371
Investment in unconsolidated affiliates	1,295,256	—	5,070	(1,295,256)	5,070
Intercompany balances	216,454	30,000	(246,454)	—	—
	<u>1,832,083</u>	<u>\$ 45,001</u>	<u>\$ 3,363,455</u>	<u>\$ (1,295,256)</u>	<u>\$ 3,945,283</u>
Total assets	\$1,832,083	\$ 45,001	\$ 3,363,455	\$ (1,295,256)	\$ 3,945,283
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ —	\$ —	\$ 15,489	\$ —	\$ 15,489
Current portion of land concession obligation	—	—	8,984	—	8,984
Accounts and construction payable	41	—	79,727	—	79,768
Accrued interest	9,142	—	6,591	—	15,733
Accrued compensation and benefits	9,050	—	27,722	—	36,772
Other accrued expenses	955	—	27,419	—	28,374
Customer deposits and other liabilities	—	—	66,120	—	66,120
Construction retention	—	—	18,539	—	18,539
	<u>19,188</u>	<u>—</u>	<u>250,591</u>	<u>—</u>	<u>269,779</u>
Total current liabilities	19,188	—	250,591	—	269,779
Construction retention	—	—	757	—	757
Long-term debt	250,000	—	1,840,846	—	2,090,846
Long-term land concession obligation	—	—	19,218	—	19,218
Other long-term liabilities	—	—	1,788	—	1,788
	<u>269,188</u>	<u>—</u>	<u>2,113,200</u>	<u>—</u>	<u>2,382,388</u>
Total liabilities	269,188	—	2,113,200	—	2,382,388
Commitments and contingencies					
Stockholders' equity:					
Preferred Stock	—	—	—	—	—
Common stock	993	—	—	—	993
Additional paid-in capital	1,972,847	44,028	1,623,218	(1,667,246)	1,972,847
Deferred compensation - restricted stock	(15,784)	—	(957)	957	(15,784)
Retained earnings (accumulated deficit)	(395,161)	973	(372,006)	371,033	(395,161)
	<u>1,562,895</u>	<u>45,001</u>	<u>1,250,255</u>	<u>(1,295,256)</u>	<u>1,562,895</u>
Total stockholders' equity	1,562,895	45,001	1,250,255	(1,295,256)	1,562,895
Total liabilities and stockholders' equity	\$1,832,083	\$ 45,001	\$ 3,363,455	\$ (1,295,256)	\$ 3,945,283

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
THREE MONTHS ENDED JUNE 30, 2006
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
Operating revenues:					
Casino	\$ —	\$ —	\$ 113,527	\$ —	\$ 113,527
Rooms	—	—	69,222	—	69,222
Food and beverage	—	—	77,686	—	77,686
Entertainment, retail and other	5,626	—	49,389	(5,626)	49,389
	<u>5,626</u>	<u>—</u>	<u>309,824</u>	<u>(5,626)</u>	<u>309,824</u>
Gross revenues	5,626	—	309,824	(5,626)	309,824
Less promotional allowances	—	—	(36,454)	—	(36,454)
	<u>5,626</u>	<u>—</u>	<u>273,370</u>	<u>(5,626)</u>	<u>273,370</u>
Operating costs and expenses:					
Casino	—	—	57,920	—	57,920
Rooms	—	—	18,140	—	18,140
Food and beverage	—	—	49,423	—	49,423
Entertainment, retail and other	—	—	34,112	—	34,112
General and administrative	5,557	4	49,076	(5,626)	49,011
Provision for doubtful accounts	(6)	—	3,652	—	3,646
Pre-opening costs	—	—	17,028	—	17,028
Depreciation and amortization	19	—	40,523	—	40,542
Property charges and other	—	—	2,376	—	2,376
	<u>5,570</u>	<u>4</u>	<u>272,250</u>	<u>(5,626)</u>	<u>272,198</u>
Equity in income/(loss) from unconsolidated affiliates	(24,274)	—	511	24,274	511
	<u>(24,218)</u>	<u>(4)</u>	<u>1,631</u>	<u>24,274</u>	<u>1,683</u>
Operating income/(loss)					
Other income/(expense):					
Interest and other income	9,354	16	7,327	(7,080)	9,617
Interest expense	(5,206)	—	(37,181)	7,080	(35,307)
Increase in swap fair value	—	—	4,246	—	4,246
	<u>4,148</u>	<u>16</u>	<u>(25,608)</u>	<u>—</u>	<u>(21,444)</u>
Income (loss) before income taxes	(20,070)	12	(23,977)	24,274	(19,761)
Provision for income taxes	—	—	(309)	—	(309)
	<u>(20,070)</u>	<u>12</u>	<u>(24,286)</u>	<u>24,274</u>	<u>(20,070)</u>
Net income/(loss)	\$ (20,070)	\$ 12	\$ (24,286)	\$ 24,274	\$ (20,070)

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
THREE MONTHS ENDED JUNE 30, 2005 (As Restated - See Note 14)
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
Operating revenues:					
Casino	\$ —	\$ —	\$ 98,715	\$ —	\$ 98,715
Rooms	—	—	44,632	—	44,632
Food and beverage	—	—	48,056	—	48,056
Entertainment, retail and other	4,501	—	34,651	(4,501)	34,651
	<u>4,501</u>	<u>—</u>	<u>226,054</u>	<u>(4,501)</u>	<u>226,054</u>
Gross revenues	4,501	—	226,054	(4,501)	226,054
Less promotional allowances	—	—	(24,934)	—	(24,934)
	<u>4,501</u>	<u>—</u>	<u>201,120</u>	<u>(4,501)</u>	<u>201,120</u>
Operating costs and expenses:					
Casino	—	—	42,280	—	42,280
Rooms	—	—	11,780	—	11,780
Food and beverage	—	—	33,706	—	33,706
Entertainment, retail and other	—	—	20,262	—	20,262
General and administrative	3,070	4	32,437	(4,501)	31,010
Provision for doubtful accounts	(12)	—	8,611	—	8,599
Pre-opening costs	2,502	—	40,863	—	43,365
Depreciation and amortization	20	—	26,105	—	26,125
Property charges and other	(1)	—	49	—	48
	<u>5,579</u>	<u>4</u>	<u>216,093</u>	<u>(4,501)</u>	<u>217,175</u>
Total operating costs and expenses	5,579	4	216,093	(4,501)	217,175
Equity in income/(loss) from unconsolidated affiliates	(43,064)	—	251	43,064	251
	<u>(44,142)</u>	<u>(4)</u>	<u>(14,722)</u>	<u>43,064</u>	<u>(15,804)</u>
Operating income/(loss)	(44,142)	(4)	(14,722)	43,064	(15,804)
Other income/(expense):					
Interest income	5,083	71	4,742	(2,913)	6,983
Interest expense	(2,719)	—	(27,337)	2,913	(27,143)
Decrease in swap fair value	—	—	(5,814)	—	(5,814)
	<u>2,364</u>	<u>71</u>	<u>(28,409)</u>	<u>—</u>	<u>(25,974)</u>
Other income/(expense), net	2,364	71	(28,409)	—	(25,974)
Net income/(loss)	<u>\$ (41,778)</u>	<u>\$ 67</u>	<u>\$ (43,131)</u>	<u>\$ 43,064</u>	<u>\$ (41,778)</u>

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
SIX MONTHS ENDED JUNE 30, 2006
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
Operating revenues:					
Casino	\$ —	\$ —	\$ 240,041	\$ —	\$240,041
Rooms	—	—	137,399	—	137,399
Food and beverage	—	—	152,320	—	152,320
Entertainment, retail and other	11,286	—	98,346	(11,286)	98,346
	<u>11,286</u>	<u>—</u>	<u>628,106</u>	<u>(11,286)</u>	<u>628,106</u>
Gross revenues	11,286	—	628,106	(11,286)	628,106
Less promotional allowances	—	—	(77,511)	—	(77,511)
	<u>11,286</u>	<u>—</u>	<u>550,595</u>	<u>(11,286)</u>	<u>550,595</u>
Operating costs and expenses:					
Casino	—	—	121,156	—	121,156
Rooms	—	—	35,125	—	35,125
Food and beverage	—	—	94,182	—	94,182
Entertainment, retail and other	—	—	66,626	—	66,626
General and administrative	11,035	4	96,223	(11,286)	95,976
Provision for doubtful accounts	(23)	—	6,598	—	6,575
Pre-opening costs	—	—	25,974	—	25,974
Depreciation and amortization	39	—	82,288	—	82,327
Contract termination fee	—	—	5,000	—	5,000
Property charges and other	—	—	7,325	—	7,325
	<u>11,051</u>	<u>4</u>	<u>540,497</u>	<u>(11,286)</u>	<u>540,266</u>
Total operating costs and expenses	11,051	4	540,497	(11,286)	540,266
Equity in income/(loss) from unconsolidated affiliates	(38,591)	—	1,086	38,591	1,086
	<u>(38,356)</u>	<u>(4)</u>	<u>11,184</u>	<u>38,591</u>	<u>11,415</u>
Operating income/(loss)	(38,356)	(4)	11,184	38,591	11,415
Other income/(expense):					
Interest and other income	17,308	90	13,874	(13,223)	18,049
Interest expense	(10,456)	—	(74,017)	13,223	(71,250)
Increase in swap fair value	—	—	10,591	—	10,591
	<u>6,852</u>	<u>90</u>	<u>(49,552)</u>	<u>—</u>	<u>(42,610)</u>
Other income (expense), net	6,852	90	(49,552)	—	(42,610)
	<u>(31,504)</u>	<u>86</u>	<u>(38,368)</u>	<u>38,591</u>	<u>(31,195)</u>
Income (loss) before income taxes	(31,504)	86	(38,368)	38,591	(31,195)
Provision for income taxes	—	—	(309)	—	(309)
	<u>(31,504)</u>	<u>86</u>	<u>(38,677)</u>	<u>38,591</u>	<u>(31,504)</u>
Net income/(loss)	\$(31,504)	\$ 86	\$ (38,677)	\$ 38,591	\$ (31,504)

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
SIX MONTHS ENDED JUNE 30, 2005 (As Restated - See Note 14)
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
Operating revenues:					
Casino	\$ —	\$ —	\$ 98,715	\$ —	\$ 98,715
Rooms	—	—	44,632	—	44,632
Food and beverage	—	—	48,056	—	48,056
Entertainment, retail and other	6,001	—	34,659	(6,001)	34,659
	<u>6,001</u>	<u>—</u>	<u>226,062</u>	<u>(6,001)</u>	<u>226,062</u>
Gross revenues	6,001	—	226,062	(6,001)	226,062
Less promotional allowances	—	—	(24,934)	—	(24,934)
	<u>6,001</u>	<u>—</u>	<u>201,128</u>	<u>(6,001)</u>	<u>201,128</u>
Operating costs and expenses:					
Casino	—	—	42,280	—	42,280
Rooms	—	—	11,780	—	11,780
Food and beverage	—	—	33,706	—	33,706
Entertainment, retail and other	—	—	20,266	—	20,266
General and administrative	3,075	4	33,936	(6,001)	31,014
Provision for doubtful accounts	(12)	—	8,611	—	8,599
Pre-opening costs	9,388	—	72,081	—	81,469
Depreciation and amortization	39	—	29,580	—	29,619
Property charges and other	(1)	—	111	—	110
	<u>12,489</u>	<u>4</u>	<u>252,351</u>	<u>(6,001)</u>	<u>258,843</u>
Equity in income/(loss) from unconsolidated affiliates	(71,755)	—	251	71,755	251
	<u>(78,243)</u>	<u>(4)</u>	<u>(50,972)</u>	<u>71,755</u>	<u>(57,464)</u>
Other income/(expense):					
Interest income	9,258	153	9,119	(5,365)	13,165
Interest expense	(2,719)	—	(31,938)	5,365	(29,292)
Increase in swap fair value	—	—	1,887	—	1,887
	<u>6,539</u>	<u>153</u>	<u>(20,932)</u>	<u>—</u>	<u>(14,240)</u>
Net income/(loss)	<u>\$ (71,704)</u>	<u>\$ 149</u>	<u>\$ (71,904)</u>	<u>\$ 71,755</u>	<u>\$ (71,704)</u>

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
SIX MONTHS ENDED JUNE 30, 2006
(amounts in thousands)
(unaudited)

	Parent	Convertible Debentures Guarantor	Non-guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income/(loss)	\$ (31,504)	\$ 86	\$ (38,677)	\$ 38,591	\$ (31,504)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:					
Depreciation and amortization	39	—	82,288	—	82,327
Stock-based compensation	3,423	—	4,379	—	7,802
Amortization and write-off of deferred financing costs	651	—	6,815	—	7,466
Provision for doubtful accounts	(23)	—	6,598	—	6,575
Property charges and other	—	—	7,325	—	7,325
Equity in (income) loss from unconsolidated affiliates, net of distributions	38,591	—	(123)	(38,591)	(123)
Increase in swap fair value	—	—	(10,591)	—	(10,591)
Increase (decrease) in cash from changes in:					
Receivables	47	—	16,074	—	16,121
Inventories and prepaid expenses	190	—	(11,737)	—	(11,547)
Accounts payable and accrued expenses	(5,771)	—	(26,622)	—	(32,393)
Due to (from) affiliates	(8,286)	—	8,286	—	—
Net cash provided by (used in) operating activities	(2,643)	86	44,015	—	41,458
Cash flows from investing activities:					
Capital expenditures	(97)	—	(225,487)	—	(225,584)
Restricted cash and investments	(218)	7,410	(19,186)	—	(11,994)
Intangibles and Other assets	(3,660)	—	(69,867)	—	(73,527)
Due to (from) affiliates	5,915	(7,496)	1,581	—	—
Net cash provided by (used in) investing activities	1,940	(86)	(312,959)	—	(311,105)
Cash flows from financing activities:					
Proceeds from the exercise of stock options	4,788	—	—	—	4,788
Proceeds from issuance of long-term debt	—	—	227,279	—	227,279
Principal payments on long-term debt	—	—	(13,032)	—	(13,032)
Payments on long-term land concession obligation	—	—	(4,397)	—	(4,397)
Deferred financing costs	—	—	(328)	—	(328)
Net cash provided by financing activities	4,788	—	209,522	—	214,310
Cash and cash equivalents:					
Increase (decrease) in cash and cash equivalents	4,085	—	(59,422)	—	(55,337)
Balance, beginning of period	308,013	—	126,276	—	434,289
Balance, end of period	\$ 312,098	\$ —	\$ 66,854	\$ —	\$ 378,952

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF CASH FLOWS INFORMATION
SIX MONTHS ENDED JUNE 30, 2005 (As Restated—See Note 14)

(amounts in thousands)

(unaudited)

	Parent	Convertible Debentures Guarantor	Non- guarantor Subsidiaries	Eliminating Entries	Total
Cash flows from operating activities:					
Net income/(loss)	\$ (71,704)	\$ 149	\$ (71,904)	\$ 71,755	\$ (71,704)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in)					
operating activities:					
Depreciation and amortization	39	—	29,580	—	29,619
Stock-based compensation	2,653	—	—	—	2,653
Amortization of deferred financing costs	357	—	6,240	—	6,597
Provision for doubtful accounts	(12)	—	8,611	—	8,599
Property charges and other	(1)	—	6	—	5
Equity in (income)/loss from unconsolidated affiliates	71,755	—	(251)	(71,755)	(251)
Increase in swap fair value	—	—	(1,887)	—	(1,887)
Increase (decrease) in cash from changes in:					
Receivables	(15)	—	(63,901)	—	(63,916)
Inventories and prepaid expenses	(123)	—	(31,310)	—	(31,433)
Accounts payable and accrued expenses	(2,912)	—	106,307	—	103,395
Net cash provided by (used in) operating activities	37	149	(18,509)	—	(18,323)
Cash flows from investing activities:					
Capital expenditures	—	—	(559,393)	—	(559,393)
Restricted cash and investments	(2)	7,347	343,010	—	350,355
Investment in unconsolidated affiliates	—	—	(3,500)	—	(3,500)
Other assets	7	—	(20,542)	—	(20,535)
Intercompany balances	6,686	(7,496)	810	—	—
Proceeds from sale of equipment	1	—	23	—	24
Net cash provided by (used in) investing activities	6,692	(149)	(239,592)	—	(233,049)
Cash flows from financing activities:					
Proceeds from the exercise of stock options	1,065	—	—	—	1,065
Proceeds from issuance of long-term debt	—	—	437,186	—	437,186
Principal payments on long-term debt	—	—	(19,354)	—	(19,354)
Payments on long-term land concession obligation	—	—	(4,222)	—	(4,222)
Payments for deferred financing costs	—	—	(7,768)	—	(7,768)
Net cash provided by financing activities	1,065	—	405,842	—	406,907
Cash and cash equivalents:					
Increase in cash and cash equivalents	7,794	—	147,741	—	155,535
Balance, beginning of period	302,262	—	27,999	—	330,261
Balance, end of period	\$310,056	\$ —	\$ 175,740	\$ —	\$ 485,796

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

The following discussion should be read in conjunction with, and is qualified in its entirety by, the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion gives effect to the restatement described in Note 14 to these condensed consolidated financial statements.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this Quarterly Report on Form 10-Q 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 contained in this report 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: conditions precedent to funding under the agreements governing the disbursement of the proceeds of certain of our debt and equity offerings and borrowings under our credit facilities; competition in the casino/hotel and resort industries; completion of our Wynn Macau casino resort on time and within budget; our intention to fund a substantial portion of the development and construction costs of Encore with anticipated cash flows generated at Wynn Las Vegas; doing business in foreign locations such as Macau (including the risks associated with Macau's developing gaming regulatory framework); new development and construction activities of competitors; our limited operating history; our dependence on Stephen A. Wynn and existing management; our dependence on one property and, later a limited number of properties, for all of our cash flow; 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); applications for licenses and approvals under applicable jurisdictional laws and regulations (including gaming laws and regulations); the impact that an outbreak of an infectious disease, such as avian flu, or the impact of a natural disaster, such as the tsunami which struck southeast Asia in December 2004, may have on the travel and leisure industry; 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. Further information on potential factors that could affect our financial condition, results of operations and business are included in this report and our other filings with the Securities and Exchange Commission ("SEC"). You should not place undue reliance on any forward-looking statements, which are based only on 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 of this report.

Overview

We are a developer, owner and operator of destination casino resorts. We own and operate Wynn Las Vegas, a destination casino resort in Las Vegas, Nevada, which opened on April 28, 2005. We are also constructing Wynn Macau, a destination casino resort in the Macau Special Administrative Region of the People's Republic of China ("Macau"), which will open in September 2006. In addition, on April 28, 2006, we commenced construction of Encore at Wynn Las Vegas ("Encore"), a hotel and casino resort fully integrated with Wynn Las Vegas. Until the opening of Wynn Las Vegas, we were solely a development stage company.

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Wynn Las Vegas

We believe Wynn Las Vegas is the preeminent destination casino resort on the Strip in Las Vegas. Wynn Las Vegas features:

- An approximately 111,000 square foot casino offering a full range of games, including private baccarat salons, a poker room, and a race and sports book;
- Luxury hotel accommodations in 2,716 spacious hotel rooms, suites and villas;
- Casual and fine dining in 18 outlets featuring signature chefs, including the Five Diamond award-winning restaurant, Alex;
- A Ferrari and Maserati automobile dealership;
- Approximately 76,000 square feet of high-end, brand-name retail shopping, including stores and boutiques featuring Brioni, Chanel, Dior, Graff, Louis Vuitton, Jean-Paul Gaultier and Manolo Blahnik;
- Recreation and leisure facilities, including an 18-hole golf course, five swimming pools, private cabanas and full service spa and salon; and
- Showroom, nightclub and lounge entertainment.

The resort, which is located at the intersection of the Las Vegas Strip and Sands Avenue, occupies approximately 217 acres of land fronting the Strip and utilizes approximately 18 additional acres across Sands Avenue for employee parking.

Since its opening, we have enhanced and refined Wynn Las Vegas in response to market demands and customer preferences. In the second quarter of 2006, we completed the remodeling of the North Fairway Villas, remodeled a portion of the former baccarat area to feature a casino bar, improved public baccarat space and private baccarat salons and opened both a watch store that exclusively offers Rolex products and a mens' accessories store in the retail esplanade. The Keno lounge is currently being converted into a retail outlet for womens' accessories and the Broadway Theater, which formerly presented Avenue Q through its last performance on May 28, 2006, is being modified to accommodate "Monty Python's Spamalot," winner of the 2005 Tony Award for best musical. We expect to commence performances of "Monty Python's Spamalot" in the first quarter of 2007. We also expect to continue our remodel efforts, in each case investing in projects designed to maximize the performance of Wynn Las Vegas.

Encore at Wynn Las Vegas

On April 28, 2006, we began construction of Encore on approximately 20 acres on the Las Vegas Strip, immediately adjacent to Wynn Las Vegas. Encore plans currently include a 2,042-room hotel tower fully integrated with Wynn Las Vegas, consisting of 132 suites and 1,910 guest rooms, an approximately 54,000 square foot casino, additional convention and meeting space, as well as restaurants, a nightclub, swimming pools, a spa and salon and retail outlets. Encore is expected to open by the end of 2008.

On March 31, 2006, our lenders approved the \$1.74 billion project budget and the related plans and specifications for Encore (the "Encore Budget, Plans and Specs"). The project budget for Encore includes approximately \$70.0 million to be incurred for construction of a new employee parking garage on our Koval property, a related pedestrian bridge and costs to be incurred in connection with preparing the Broadway Theater to host "Monty Python's Spamalot."

Wynn Macau

We are constructing and will own and operate Wynn Macau, our first destination casino resort in Macau, under a 20-year casino concession agreement granted by the Macau government in June 2002. We are one of only three concessionaires and two sub-concessionaires currently permitted by the government to operate a casino gaming business in Macau. The government of Macau has expressed its desire to transform Macau into

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the tourist destination of choice in Asia. The Chinese government has also gradually relaxed its travel and currency restrictions, allowing mainland Chinese from certain urban centers and economically developed areas to visit Macau without joining a tour group, and has increased the amount of currency that Chinese citizens are permitted to bring into Macau. With approximately 100 million people within a three-hour drive and nearly 1 billion people within a three-hour flight from Macau, Wynn Macau is located in what we believe will be one of the largest and fastest-growing gaming markets in the world.

Wynn Macau is being constructed, and will open, in phases. The total budget of Wynn Macau's two phases is approximately \$1.2 billion. The first phase of the project will utilize approximately 11 acres of a total site area of 16 acres of land and includes 600 hotel rooms and suites, approximately 210 table games and 380 slot machines in approximately 100,000 square feet of casino gaming space, and also includes seven restaurants, approximately 26,000 square feet of retail space, a spa, a salon, entertainment lounges and meeting facilities. Entities including Chanel, Louis Vuitton, Prada, Dior, Fendi, Giorgio Armani, Tiffany, Bulgari, and Piaget have entered into agreements with Wynn Macau S.A. to operate retail outlets. Additionally, three food and beverage outlets, two cigar outlets and a beauty salon have also entered into agreements with Wynn Macau S.A.

The first phase will open in September 2006. The second phase will include an additional approximately 135,000 square feet of casino space, one restaurant, retail space, a theater, and a dramatic front feature attraction. The second phase will be built on the remaining five acres of the Wynn Macau site and will be integrated into the first phase of Wynn Macau. The second phase is expected to be completed and opened in stages and to be fully open to the public in the fourth quarter of 2007.

Macau Subconcession Sale

On March 4, 2006, Wynn Macau, S.A. entered into an agreement with Publishing & Broadcasting, Ltd. ("PBL") pursuant to which Wynn Macau, S.A. agreed to sell to PBL a subconcession to operate casino games in Macau for a purchase price of \$900.0 million. The transaction is subject to the approval of the Macau government.

Cotai Strip Development

We have submitted an application to the Macau government for a land concession for an additional 54 acres of land on the Cotai Strip in Macau for future development.

Results of Operations

We offer gaming, hotel accommodations, dining, entertainment, retail shopping, convention services and other amenities at Wynn Las Vegas. In the second quarter of 2006, Wynn Las Vegas generated net revenues and Adjusted EBITDA (as defined below) of \$273.4 million and \$73.2 million, respectively, compared to net revenues of \$201.1 million and Adjusted EBITDA of \$58.7 million for the 64 days of operation in the second quarter of 2005. Net revenues and Adjusted EBITDA for the six months ended June 30, 2006 were \$550.6 million and \$154.3 million, respectively. We opened Wynn Las Vegas on April 28, 2005, consequently, the six months ended June 30, 2005 contained the same 64 days of operations and therefore the same \$201.1 million and \$58.7 million of net revenues and Adjusted EBITDA as in the second quarter of 2005 discussed above.

We incurred a net loss for the three and six months ended June 30, 2006 of \$20.1 million and \$31.5, respectively, which represents a \$21.7 million (or 52.0%) decrease and \$40.2 million (or 56.1%) decrease from the three and six months ended June 30, 2005. During the first quarter of 2005, we were solely a development stage enterprise and pre-opening expenses increased significantly as Wynn Las Vegas approached opening. The second quarter 2005 results reflect 64 days of Wynn Las Vegas operations. In contrast, the three and six month periods ended June 30, 2006 reflect full quarters of Wynn Las Vegas operations. As Wynn Macau nears its scheduled opening in September of 2006 and since construction of Encore has commenced, we expect that our pre-opening expenses in future periods will exceed those incurred in the three and six months ended June 30, 2006. However, we no longer incur pre-opening expenses related to Wynn Las Vegas, which were a significant contributor to the net loss incurred for the three and six months ended June 30, 2005.

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We currently rely solely upon the operations of Wynn Las Vegas for our operating cash flow. Concentration of our cash flow in one property exposes us to certain risks that competitors, whose operations are more diversified, may be better able to control. In addition to the concentration of operations in a single property, many of our customers are high-end gaming customers who wager on credit, thus exposing us to increased credit risk. High-end gaming also increases the potential for variability in our results.

We monitor our operations and evaluate our earnings by reviewing the assets and operations of Wynn Las Vegas (including Encore) and Wynn Macau. The following table sets forth our financial results for the three and six months ended June 30, 2006 and 2005 by segment and reconciles Adjusted EBITDA to net loss (amounts in thousands):

	Three Months Ended June 30		Six Months Ended June 30	
	2006	2005 (as restated)	2006	2005 (as restated)
Revenues (1)				
Casino	\$ 113,527	\$ 98,715	\$ 240,041	\$ 98,715
Rooms	69,222	44,632	137,399	44,632
Food and beverage	77,686	48,056	152,320	48,056
Entertainment, retail and other	49,389	34,651	98,346	34,659
	<u>309,824</u>	<u>226,054</u>	<u>628,106</u>	<u>226,062</u>
Gross revenues				
Less promotional allowances	(36,454)	(24,934)	(77,511)	(24,934)
	<u>\$273,370</u>	<u>\$ 201,120</u>	<u>\$ 550,595</u>	<u>\$ 201,128</u>
Adjusted EBITDA (1, 2)	\$ 73,162	\$ 58,735	\$ 154,285	\$ 58,735
Other operating costs and expenses				
Preopening expenses:				
Wynn Las Vegas (including Encore)	(176)	(36,795)	(194)	(65,886)
Wynn Macau	(16,852)	(4,124)	(25,780)	(6,598)
Corporate and other	—	(2,446)	—	(8,985)
Depreciation and amortization:				
Wynn Las Vegas (including Encore)	(37,618)	(24,057)	(76,568)	(25,568)
Wynn Macau	(2,131)	(1,469)	(4,208)	(2,934)
Corporate and other	(793)	(599)	(1,551)	(1,117)
Property charges and other:				
Wynn Las Vegas (including Encore)	(2,376)	(48)	(7,325)	(110)
Wynn Macau	—	—	—	—
Corporate and other	—	—	—	—
Avenue Q contract termination fee	—	—	(5,000)	—
Corporate expenses and other	(11,533)	(5,001)	(22,244)	(5,001)
	<u>(71,479)</u>	<u>(74,539)</u>	<u>(142,870)</u>	<u>(116,199)</u>
Operating income (loss)	1,683	(15,804)	11,415	(57,464)
Other non-operating costs and expenses				
Interest and other income	9,617	6,983	18,049	13,165
Interest expense	(35,307)	(27,143)	(71,250)	(29,292)
Increase/(Decrease) in swap fair value	4,246	(5,814)	10,591	1,887
	<u>(21,444)</u>	<u>(25,974)</u>	<u>(42,610)</u>	<u>(14,240)</u>
Provision for Income Taxes	(309)	—	(309)	—
Net loss	<u>\$ (20,070)</u>	<u>\$ (41,778)</u>	<u>\$ (31,504)</u>	<u>\$ (71,704)</u>

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- (1) Wynn Macau is currently in the development stage and therefore has no revenues or adjusted EBITDA.
- (2) “Adjusted EBITDA” is earnings before interest, taxes, depreciation, amortization, pre-opening expenses, property charges, corporate expenses, stock-based compensation, Avenue Q contract termination fee and other non-operating income and expenses. Adjusted EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a principal basis for valuation, of gaming companies. Management uses Adjusted EBITDA as the primary measure of the operating performance of its segments and to compare the operating performance of its property with those of its competitors. The Company also presents Adjusted EBITDA because it is used by some investors as a way to measure a company’s ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to financial measures in accordance with generally accepted accounting principles in the United States (“GAAP”). In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including Wynn Resorts, Limited, have historically excluded from their EBITDA calculations pre-opening expenses, property charges and corporate expenses, which do not relate to the management of specific casino properties. However, Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of the Company’s performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We compensate for these limitations by using Adjusted EBITDA as only one of several comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include operating income (loss), net income (loss), cash flows from operations and cash flow data. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in Adjusted EBITDA. Also, Wynn Resorts’ calculation of Adjusted EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

Financial results for the three months ended June 30, 2006 compared to the three months ended June 30, 2005.

We opened Wynn Las Vegas on April 28, 2005. Prior to opening Wynn Las Vegas, we had not commenced operations, nor generated any significant revenues. The results for the three months ended June 30, 2005 reflect 64 days of Wynn Las Vegas operations. The results for the three months ended June 30, 2006 reflect a full quarter of operations of Wynn Las Vegas.

Certain statistics specific to the gaming industry are disclosed in the following discussion related to the Company’s operational performance for the periods in which a Statement of Operations is presented. Below are definitions of the gaming statistics discussed:

- Table games win percentage is calculated by dividing the table games win by the total table games drop.
- Slot win percentage is calculated by dividing the total gross cash win by the total handle.
- Average Daily Rate (“ADR”) is calculated by dividing total room revenue by total rooms occupied.
- Revenue per Available Room (“REVPAR”) is calculated by dividing total room revenue by total rooms available.

Revenues

Net revenues for the three months ended June 30, 2006 are comprised of \$113.5 million in net gaming revenues (41.5% of total net revenues) and \$159.9 million of net non-gaming revenues (58.5% of total net revenues). Net revenues for the 64 days of operation in the second quarter of 2005 were comprised of \$98.7 million in net gaming revenues (49.1% of total net revenues) and \$102.4 million of net non-gaming revenues (50.9% of

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total net revenues). The quality of the resort's non-gaming amenities, combined with providing guests an unparalleled total resort experience, has driven a premium in Wynn Las Vegas' ADR and other non-gaming revenues.

Wynn Las Vegas' net gaming revenues for the three months ended June 30, 2006 of approximately \$113.5 million represents approximately a \$14.8 million or (15.0%) increase from the net gaming revenues of \$98.7 million for the three months ended June 30, 2005, which included 64 days of operations. During the three months ended June 30, 2006 and 2005, the average table games win percentage (before discounts) was within the expected range of 19% to 22%, and the slot win percentage was within the expected range of 5% to 6% of handle, but with respect to 2006, was at the lower end of each range.

For the three months ended June 30, 2006, Wynn Las Vegas' gross room revenues were approximately \$69.2 million, which represents a \$24.6 million (or 55.1%) increase over the \$44.6 million generated in the 64 days of operations in the three months ended June 30, 2005. ADR and occupancy for the three months ended June 30, 2006 were \$293 and 95.7%, respectively, generating REVPAR of \$280. ADR and occupancy for the 64 days of operation in the second quarter of 2005 was \$284 and 90.1%. Other non-gaming revenues for the three months ended June 30, 2006 included food and beverage revenues of approximately \$77.7 million, retail revenues of approximately \$19.3 million, entertainment revenues of approximately \$17.1 million, and other revenues from outlets, including the spa and salon, of approximately \$13.0 million. Other non-gaming revenues for the 64 days of operation in the three months ended June 30, 2005 included food and beverage revenues of approximately \$48.1 million, retail revenues of approximately \$16.9 million, entertainment revenues of approximately \$8.3 million, and other revenues from outlets, including the spa and salon, of approximately \$9.5 million.

Adjusted EBITDA

Wynn Las Vegas' Adjusted EBITDA was approximately \$73.2 million for the three months ended June 30, 2006 compared to Adjusted EBITDA of \$58.7 for the 64 days of operation in the period ended June 30, 2005. During the three months ended June 30, 2006, departmental expenses included casino expenses of \$57.9 million, rooms expenses of \$18.1 million, food and beverage expenses of \$49.4 million, and entertainment, retail and other expenses of \$34.1 million. Also included are general and administrative expenses of approximately \$49.0 million and approximately \$3.6 million charged as a provision for doubtful accounts receivable. During the 64 days of operations in the three months ended June 30, 2005, departmental expenses included casino expenses of \$42.3 million, rooms expenses of \$11.8 million, food and beverage expenses of \$33.7 million, and entertainment, retail and other expenses of \$20.3 million. Also included are general and administrative expenses of approximately \$31.0 million and approximately \$8.6 million charged as a provision for doubtful accounts receivable.

Pre-opening costs

Wynn Las Vegas' pre-opening costs for the three months ended June 30, 2006 of \$176,000 decreased by \$36.6 million when compared to the three months ended June 30, 2005. Once it opened for business in April 2005, Wynn Las Vegas no longer incurred pre-opening costs; consequently, only the relatively small amount of pre-opening costs relating to Encore incurred through June 30, 2006 are included for the 2006 period. There was also a substantial increase in staffing immediately preceding the opening of Wynn Las Vegas, which is reflected in the pre-opening costs in the second quarter of 2005. As the Encore development progresses in 2006, we expect associated pre-opening expenses to increase, but not to the same level as we experienced with Wynn Las Vegas.

Wynn Macau's pre-opening and other start up costs increased by \$12.7 million in the three months ended June 30, 2006 to \$16.9 million due primarily to the increased pre-opening activity commensurate with the progress of the resort's construction. We expect that Wynn Macau's pre-opening costs will continue to increase in the third quarter of 2006 as construction and development continue toward opening, similar to the trend experienced with Wynn Las Vegas in 2005, prior to its opening.

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After Wynn Las Vegas opened on April 28, 2005, corporate expenses were charged to general and administrative expense instead of pre-opening expenses.

Depreciation and amortization

Wynn Las Vegas' depreciation and amortization expense for the three months ended June 30, 2006 of \$37.6 million increased by \$13.6 million when compared to the three months ended June 30, 2005, primarily as a result of the longer operating period for the three months ended June 30, 2006 compared to the 2005 period. During the construction of Wynn Las Vegas, costs incurred in the construction of the buildings, improvements to land and the purchases of assets for use in operations were capitalized. Once Wynn Las Vegas opened on April 28, 2005 and these assets were placed into service, we began recognizing the associated depreciation expense. The depreciation expenses will continue throughout the estimated useful lives of these assets. In addition, we continually evaluate the useful life of our property and equipment, intangibles and other assets. When circumstances require a revision to those estimates of useful life, we adjust them accordingly.

Wynn Macau's depreciation and amortization expenses remained relatively consistent in the second quarter of 2006 compared to the second quarter of 2005. Other than charges to depreciation for certain office equipment and amortization for the Macau gaming and land concessions, Wynn Macau's depreciation expenses will remain relatively insignificant until the resort opens and its assets are placed into service. Depreciation on the majority of the assets comprising Wynn Macau will commence in September 2006 when Wynn Macau opens. The maximum useful life of assets at Wynn Macau will be the remaining life of the gaming concession or land concession, which currently expires in June 2022 and 2029, respectively. Consequently, depreciation related to Wynn Macau will generally be charged on an accelerated basis when compared to Wynn Las Vegas.

Certain assets, primarily a corporate aircraft and certain furniture, fixtures and equipment of Wynn Resorts and its subsidiaries included in corporate and other, are also depreciated. In addition, when we opened Wynn Las Vegas, we began recognizing the depreciation of the furniture, fixtures and equipment in our corporate offices, which are located at Wynn Las Vegas.

Property charges and other

In response to our evaluation of the completed Wynn Las Vegas project and in response to the reactions of our guests, we began to make enhancements and refinements to Wynn Las Vegas in the third quarter of 2005 and continued enhancing Wynn Las Vegas in the first and second quarters of 2006. The \$2.4 million of costs relating to assets retired as a result of these enhancement and remodel efforts for the three months ended June 30, 2006 have been expensed as property charges. In the second quarter of 2006, we completed the remodeling of the North Fairway Villas and remodeled a portion of the former baccarat area to feature a casino bar, improved public baccarat space and private baccarat salons. Additionally, we remodeled the area of the Wynn retail esplanade formerly occupied by the art gallery at Wynn Las Vegas and opened a store dedicated exclusively to selling Rolex watches and a mens' accessories store.

Corporate expenses and other

Corporate expenses reflect costs such as salaries and other general and administrative expenses that are not allocated to Wynn Las Vegas or Wynn Macau. Prior to opening Wynn Las Vegas, corporate expenses were reported as pre-opening expenses. Corporate expenses were recorded for the three months ended June 30, 2006 of \$11.5 million compared to \$5.0 million for the second quarter of 2005 which included 64 days of operations. Total stock option expense of \$2.9 million for the three months ended June 30, 2006 resulting from the adoption of SFAS No. 123R is also included in corporate expenses and other.

Other non-operating costs and expenses

Interest and other income increased by \$2.6 million for the three months ended June 30, 2006 compared to the three months ended June 30, 2005. This increase is due primarily to higher interest rates earned on cash balances.

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Interest expense, net of capitalized interest increased by \$8.2 million for the three months ended June 30, 2006 compared to the same period in 2005, primarily due to higher interest rates during the period and the significant decrease in the amount of interest capitalized once Wynn Las Vegas opened on April 28, 2005.

Increase (Decrease) in swap fair value

Our interest rate swaps are accounted for in accordance with Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended (“SFAS 133”). The fair value of the interest rate swaps are recorded as either assets or liabilities. Changes in the fair value of these interest rate swaps are recorded as non-operating income or expense in each period. We recorded approximately \$4.2 million of interest rate swap income for the three months ended June 30, 2006 resulting from the increase in the fair value of our interest rate swaps from March 31, 2006 to June 30, 2006. During the three months ended June 30, 2005 we recorded a loss of \$5.8 million resulting from the decrease in the fair value of interest rate swaps between March 31, 2005 and June 30, 2005.

Income Taxes

We are subject to income taxes in the United States, Macau and other foreign jurisdictions where we conduct business. We account for income taxes according to Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes” (“SFAS 109”). SFAS 109 requires the recognition of deferred tax assets, net of applicable reserves, related to net operating loss carry-forwards and certain temporary differences. The standard requires recognition of a future tax benefit to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied.

During our development stage, we accumulated significant net operating losses which, among other things, generated significant deferred tax assets. At this time, because of our limited operating history, we have fully reserved these net deferred tax assets. If these net deferred tax assets become more likely than not realizable as defined by SFAS No. 109, we intend to appropriately reduce the deferred tax asset reserves.

For the three months ended June 30, 2006, we recorded approximately \$309,000 of foreign income tax expense relating to income taxes assessed on the Company’s international marketing subsidiary where the Company has no tax loss carryforwards. There were no comparable charges for the three months ended June 30, 2005.

Financial results for the six months ended June 30, 2006 compared to the six months ended June 30, 2005.

Revenues

Wynn Las Vegas’ net gaming revenues for the six months ended June 30, 2006 of approximately \$240.0 million represented an approximately \$141.3 million (or 143.2%) increase from the net gaming revenues of \$98.7 million for the 64 days of operations included in the six months ended June 30, 2005. During the six months ended June 30, 2006 and 2005, the average table games win percentage (before discounts) was within the expected range of 19% to 22%, and the slot win percentage was within the expected range of 5% to 6% of handle.

For the six months ended June 30, 2006, Wynn Las Vegas’ gross room revenues were approximately \$137.4 million, which represents a \$92.8 million (or 207.8%) increase over the \$44.6 million generated in the 64 days of operations in the six months ended June 30, 2005. ADR and occupancy for the six months ended June 30, 2006 were \$293 and 95.7%, respectively, generating REVPAR of \$280. Other non-gaming revenues for the six months ended June 30, 2006 included food and beverage revenues of approximately \$152.3 million, retail revenues of approximately \$36.5 million, entertainment revenues of approximately \$37.5 million, and other revenues from outlets, including the spa and salon, of approximately \$24.3 million. Other non-gaming revenues for the 64 days of operation in the six months ended June 30, 2005 included food and beverage revenues of approximately \$48.1 million, retail revenues of approximately \$16.9 million, entertainment revenues of approximately \$8.3 million, and other revenues from outlets, including the spa and salon, of approximately \$9.5 million.

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Adjusted EBITDA

Wynn Las Vegas' Adjusted EBITDA was approximately \$154.3 million for the six months ended June 30, 2006 compared to Adjusted EBITDA of \$58.7 million for the 64 days of operations in the six months ended June 30, 2005. During the six months ended June 30, 2006, departmental expenses included casino expenses of \$121.2 million, rooms expenses of \$35.1 million, food and beverage expenses of \$94.2 million, and entertainment, retail and other expenses of \$66.6 million. Also included are general and administrative expenses of approximately \$96.0 million and approximately \$6.6 million charged as a provision for doubtful accounts receivable. During the six months ended June 30, 2005, departmental expenses included casino expenses of \$42.3 million, rooms expenses of \$11.8 million, food and beverage expenses of \$33.7 million, and entertainment, retail and other expenses of \$20.3 million. Also included are general and administrative expenses of approximately \$31.0 million and approximately \$8.6 million charged as a provision for doubtful accounts receivable.

Pre-opening costs

Wynn Las Vegas' pre-opening costs for the six months ended June 30, 2006 were \$194,000, a decrease of \$65.7 million when compared to the six months ended June 30, 2005. Once it opened for business in April 2005, Wynn Las Vegas no longer incurred pre-opening costs; consequently, only the relatively small amount of pre-opening costs relating to Encore incurred through June 30, 2006 are included for the 2006 period. There also was a substantial increase in staffing immediately preceding the opening of Wynn Las Vegas, which is reflected in the pre-opening costs in the second quarter of 2005. As the Encore development progresses in 2006, we expect associated pre-opening costs to increase, but not to the same level as we experienced with Wynn Las Vegas.

Wynn Macau's pre-opening and other start up costs increased by \$19.2 million in the six months ended June 30, 2006 to \$25.8 million, due primarily to the increased pre-opening activity commensurate with the progress of the resort's construction. We expect that Wynn Macau's pre-opening costs will continue to increase in the third quarter of 2006 as construction and development continue toward opening, similar to the trend experienced with Wynn Las Vegas in 2005, prior to its opening.

After Wynn Las Vegas opened on April 28, 2005, corporate expenses were charged to general and administrative expense instead of pre-opening costs.

Depreciation and amortization

Wynn Las Vegas' depreciation and amortization expense for the six months ended June 30, 2006 of \$76.6 million, increased by \$51.0 million when compared to the six months ended June 30, 2005, primarily as a result of the longer operating period for the six months ended June 30, 2006 compared to 2005. During the construction of Wynn Las Vegas, costs incurred in the construction of the buildings, improvements to land and the purchases of assets for use in operations were capitalized. Once Wynn Las Vegas opened on April 28, 2005 and these assets were placed into service, we began recognizing the associated depreciation expense. The depreciation expenses will continue throughout the estimated useful lives of these assets. In addition, we continually evaluate the useful life of our property and equipment, intangibles and other assets. When circumstances require a revision to those estimates of useful life, we adjust them accordingly. Wynn Macau's depreciation and amortization expenses remained relatively consistent between the first half of 2006 compared to the first half of 2005. Other than charges to depreciation for certain office equipment and amortization for the Macau gaming and land concessions, Wynn Macau's depreciation expenses will remain relatively insignificant until the resort opens and its assets are placed into service.

Certain assets, primarily a corporate aircraft and certain furniture, fixtures and equipment of Wynn Resorts and its subsidiaries included in corporate and other, are also depreciated. In addition, when we opened Wynn Las Vegas, we began recognizing the depreciation of the furniture, fixtures and equipment in our corporate offices, which are located at Wynn Las Vegas.

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Property charges and other

In response to our evaluation of the completed Wynn Las Vegas project and in response to the reactions of our guests, we began to make enhancements and refinements to Wynn Las Vegas in the third quarter of 2005 and continued enhancing Wynn Las Vegas in the first and second quarters of 2006. The \$7.3 million of costs relating to assets retired as a result of these enhancement and remodel efforts during the six months ended June 30, 2006 have been expensed as property charges. In the second quarter of 2006, we completed the remodeling of the North Fairway Villas and remodeled a portion of the former baccarat area to feature a casino bar, improved public baccarat space and private baccarat salons. Additionally, we remodeled the area of the Wynn retail esplanade formerly occupied by the art gallery, at Wynn Las Vegas and opened a store dedicated exclusively to selling Rolex watches and a mens' accessories store.

Avenue Q Contract Termination

In February 2006, we agreed with the producers of "Avenue Q" to end Avenue Q's exclusive Las Vegas run at Wynn Las Vegas' Broadway Theatre at the end of May 2006. To terminate the contract, we paid a termination fee of \$5.0 million. This fee was recorded in the first quarter of 2006 in accordance with the liability recognition provisions of Statement of Financial Accounting Standards No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("SFAS 146"). We intend to remodel the Broadway Theater and adjacent areas to accommodate "Monty Python's Spamalot." Performances of "Monty Python's Spamalot" are expected to begin in the first quarter of 2007.

Corporate expenses and other

Corporate expenses reflect costs such as salaries and other general and administrative expenses that are not allocated to Wynn Las Vegas or Wynn Macau. Prior to opening Wynn Las Vegas, corporate expenses were reported as pre-opening expenses. Corporate expenses were recorded for the six months ended June 30, 2006 of \$22.2 million compared to \$5.0 million for the second quarter of 2005. Total stock option expense of \$5.9 million for the six months ended June 30, 2006, resulting from the adoption of SFAS No. 123R is also included in corporate expenses and other.

Other non-operating costs and expenses

Interest and other income increased by \$4.9 million from the six months ended June 30, 2005 to the six months ended June 30, 2006. This increase is due primarily to higher interest rates earned on cash balances.

Interest expense, net of capitalized interest increased by \$42.0 million for the six months ended June 30, 2006 compared to the same period in 2005 due to the rise in interest rates and the significant decrease in the amount of interest capitalized once Wynn Las Vegas opened.

Increase (Decrease) in swap fair value

We recorded approximately \$10.6 million of swap income for the six months ended June 30, 2006 resulting from the increase in the fair value of our interest rate swaps from December 31, 2005 to June 30, 2006. During the six months ended June 30, 2005 we recorded a gain of \$1.9 million resulting from the increase in the fair value of interest rate swaps between December 31, 2004 and June 30, 2005.

Income Taxes

We are subject to income taxes in the United States, Macau and other foreign jurisdictions where we conduct business. We account for income taxes according to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). SFAS 109 requires the recognition of deferred tax assets, net of applicable reserves, related to net operating loss carry-forwards and certain temporary differences. The standard requires recognition of a future tax benefit to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied.

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During our development stage, we accumulated significant net operating losses which, among other things, generated significant deferred tax assets. At this time, because of our limited operating history, we have fully reserved these net deferred tax assets. If these net deferred tax assets become more likely than not realizable as defined by SFAS No. 109, we intend to appropriately reduce the deferred tax asset reserves.

For the six months ended June 30, 2006, we recorded approximately \$309,000 of foreign income tax expense relating to income taxes assessed on the Company's international marketing subsidiary where the Company has no tax loss carryforwards. There were no comparable charges for the six months ended June 30, 2005.

Liquidity and Capital Resources

Cash flows from operations

Our operating cash flows are primarily affected by our operating income, interest paid, and non-cash charges included in operating income. On April 28, 2005, we opened Wynn Las Vegas and began generating cash from operations. Net cash from operations in the six months ended June 30, 2006 was \$41.5 million compared to \$18.3 million used in operations in the six months ended June 30, 2005.

Capital Resources

We require a certain amount of cash on hand for operations. Otherwise we attempt to minimize the amount of cash held in banks. At June 30, 2006, we had approximately \$379.0 million of cash and cash equivalents generally available for use without restriction, including for new development activities, general corporate purposes, enhancements to Wynn Las Vegas, and to support the development and construction of Wynn Macau and Encore. Of this, approximately \$312.1 million is held by Wynn Resorts, Limited, which is not a guarantor of the debt of its subsidiaries, including Wynn Las Vegas, LLC and Wynn Macau, S.A. However, Wynn Resorts, Limited has provided an equity commitment agreement to Wynn Las Vegas, LLC's secured lenders, which obligates Wynn Resorts, Limited to contribute up to \$215.3 million for Encore project costs if Wynn Las Vegas, LLC is unable to pay such costs.

At June 30, 2006, we had approximately \$454.6 million in restricted cash and investments from the proceeds of our debt and equity financings. Of this amount, approximately \$386.8 million is restricted for the remaining costs of Wynn Las Vegas and the construction, development and pre-opening expenses of Encore, including \$80.0 million restricted for the Wynn Las Vegas liquidity reserve and completion guarantee (\$30.0 million of which must be retained for Encore as a completion guarantee); approximately \$58.9 million is restricted for the ongoing development, construction and pre-opening expenses of Wynn Macau; and approximately \$7.6 million is restricted for the semi-annual interest payment on our 6% Convertible Subordinated Debentures due 2015 (the "Convertible Debentures"), which was paid in July 2006. In addition, there is approximately \$1.3 million restricted for certain sales tax and other payments. Cash equivalents include 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 the Company's debt facilities.

Convertible Debentures Conversions

Through August 1, 2006, approximately \$25.3 million principal amount of the Convertible Debentures were converted by those holders into 1,100,602 shares of the common stock of Wynn Resorts, Limited. This has reduced our long-term debt accordingly and will decrease our future interest expense by approximately \$1.5 million annually.

Construction and Development

Wynn Las Vegas

As of June 30, 2006, approximately \$4.5 million of budgeted project costs and retention amounts remained to be paid in order to close out the project. We expect these final costs to be paid in the third quarter of 2006.

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Beginning in the third quarter of 2005, we made and continue to make certain enhancements and refinements to Wynn Las Vegas. As a result, we have incurred and will continue to incur capital expenditures relating to these enhancements and refinements. Under the terms of the Wynn Las Vegas credit facilities, we are permitted to make up to \$80.0 million of capital expenditures in 2006, of which we have expended approximately \$46.4 million through the second quarter of 2006. The spending limit will be increased to the extent funds are contributed to Wynn Las Vegas by Wynn Resorts, Limited.

Encore at Wynn Las Vegas

Our lenders approved the Encore budget, plans and specifications on March 31, 2006. On April 28, 2006, we broke ground and commenced construction on Encore. We expect to open Encore to the public by the end of 2008.

Design and construction is progressing as expected at Encore. Current construction activities in the various project sections since groundbreaking include the following:

- Design documentation is progressing in accordance with the design schedule;
- Excavation for the tower has been completed;
- Excavation for the low rise building has commenced; and
- Pile drilling and foundation work is progressing.

Le Reve Production Rights

In April 2006, we canceled the 189,723 nonvested shares of Wynn Resorts' common stock granted, subject to certain performance criteria, to the executive producer of "Le Reve."

On May 31, 2006, we entered into an agreement to acquire substantially all intellectual property rights related to "Le Reve" which were previously licensed to us. We paid \$15.9 million to acquire substantially all of the rights in and to "Le Reve," and to repay approximately \$1.4 million of production costs, which were reimbursable to the executive producer of "Le Reve". The rights acquired enable us to produce, present, enhance, or alter the performance of "Le Reve" after May 31, 2006.

Wynn Macau

The construction of Wynn Macau is on time and remains within the project budget. The contractor has completed the majority of the work and is currently in the process of completing the final interior finishes and exterior site work of Phase I. Phase I of Wynn Macau will open in September 2006 with the Phase II expansion expected to be completed in the fourth quarter of 2007. Hotel room and banquet facility reservations are now being accepted.

Significant construction accomplishments and/or progress for Phase I and the Phase II expansion to date include the following:

Phase I

- The main casino has been completed;
- The VIP dining and lounge area, café kitchen, and meeting rooms have been completed;
- The parking garage, information technology data center, and lowrise podium superstructure are complete;
- Final interior finishes are nearing completion in the VIP casinos, the hotel retail promenade, the spa and salon, several restaurants, and the lobby lounge; and
- Furniture installation is in progress in the hotel towers.

Phase II (expansion)

- Design is substantially complete;
- Piling and pile cap activities are largely complete;
- Basement retaining walls for the moving front feature attraction have been completed;
- The ground floor slab is complete and first floor slab is in progress;
- The fire spray on the roof steel has been completed; and
- Mechanical and electrical services are in progress.

The current total project budget for Wynn Macau is approximately \$1.2 billion, including contingencies, but excluding up to \$20.5 million of post-opening land concession payments anticipated to be funded from operating cash flows. Under the amended and restated Construction Contract, the general contractor is responsible for both the construction and design of the project (other than certain limited portions to be designed by one of our subsidiaries) based on an existing scope of work and design specifications for both the first phase and the expansion as provided by us, for a guaranteed maximum price of approximately \$483 million (including the contractors' fee and contingency).

On June 22, 2006, Wynn Macau, S.A. received consent from its lending syndicate permitting Wynn Macau, S.A. to enter into three change orders to its guaranteed maximum price construction contract. The three change orders implement a series of amendments to the Construction Contract including, providing for the completion of the majority of the first floor of the Wynn Macau expansion as additional gaming space, a series of enhancements and upgrades to the overall project, and adding an electronic marquee sign at the entrance to Wynn Macau. The change orders increase the guaranteed maximum price under the Construction Contract from \$457 million to approximately \$483 million.

As of June 30, 2006, the Company has incurred approximately \$716 million of the total \$1.2 billion project budget for Wynn Macau.

Financing Activity

Wynn Las Vegas and Encore

A final accounting for Wynn Las Vegas is expected in the third quarter of 2006. Wynn Las Vegas' estimated project cost of \$2.74 billion has been or will be funded from a combination of contributed capital from the original shareholders of Valvino Lamore, LLC (the predecessor of Wynn Resorts, Limited), proceeds from sales of our common stock, proceeds from the issuance of the 12% Second Mortgage Notes due 2010 (the "Second Mortgage Notes") (which were discharged in connection with the December 2004 refinancing), proceeds from the issuance of the 6^{5/8}% First Mortgage Notes due 2014 (the "First Mortgage Notes"), and a portion of Wynn Las Vegas, LLC's \$1.0 billion credit facilities (the "Wynn Las Vegas Credit Facilities"), which consist of a \$400 million term loan facility (the "Term Loan") and a \$600 million revolving facility (the "Revolver").

The Revolver is available for Wynn Las Vegas' general corporate purposes and for Encore, and any amounts repaid may be re-borrowed. In the second quarter of 2005, we borrowed \$80.0 million under the Revolver and loaned it to Wynn Macau, S.A. as subordinated debt. The Revolver borrowing was repaid in the third quarter of 2005; consequently, as of June 30, 2006, the entire \$600.0 million Revolver was available for future borrowings for the construction of Encore or for other uses as necessary.

We have designated, and expect to continue to designate, borrowings under the Wynn Las Vegas Credit Facilities as Eurodollar Loans. These Eurodollar Loans bear interest at the London Interbank Offered Rate ("LIBOR") plus 2.25% for the Revolver loans and LIBOR plus 2.125% for the Term Loan. Interest on Eurodollar Loans is payable at the end of the applicable interest period in the case of interest periods of one, two or three months, and every three months in the case of interest periods of six months. After the opening of Encore, the applicable borrowing margins for Eurodollar revolving loans will range from 1.25% to 2.5% per annum

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depending on Wynn Las Vegas, LLC's leverage ratio. In addition to interest, we also pay quarterly in arrears 0.75% per annum on the daily average of unborrowed availability under the Revolver. After the opening of Encore, the annual fee that we will be required to pay for unborrowed availability under the Revolver will be based on Wynn Las Vegas, LLC's leverage ratio and will range from 0.25% to 0.50% per annum.

The Wynn Las Vegas Credit Facilities are obligations of Wynn Las Vegas, LLC and are guaranteed by each of its subsidiaries (other than Wynn Completion Guarantor, LLC). The obligations and guarantees are secured by: (1) a first priority security interest on a \$30.0 million liquidity reserve account; (2) a \$50.0 million completion guarantee deposit account held by Wynn Completion Guarantor, LLC; (3) the remaining previously funded proceeds of the Wynn Las Vegas Credit Facilities; (4) a first priority pledge of all member's interests owned by Wynn Las Vegas, LLC in its subsidiaries (other than Wynn Completion Guarantor, LLC) and Wynn Resorts Holdings, LLC's 100% member's interest in Wynn Las Vegas, LLC; (5) first mortgages on all real property constituting Wynn Las Vegas, its golf course and Encore; and (6) a first priority security interest in substantially all other existing and future assets of Wynn Las Vegas, LLC and the guarantors, excluding a corporate aircraft owned by World Travel, LLC, a subsidiary of Wynn Las Vegas, LLC.

The obligations of Wynn Las Vegas, LLC and the guarantors under the Wynn Las Vegas Credit Facilities rank pari passu in right of payment with their existing and future senior indebtedness, including indebtedness with respect to the First Mortgage Notes and senior in right of payment to all of their existing and future subordinated indebtedness.

The Revolver will terminate and be payable in full on December 14, 2009, and the Term Loan will mature on December 14, 2011.

We have incurred approximately \$120.4 million of Encore budget costs through June 30, 2006. These costs have been funded from the Wynn Las Vegas Credit Facilities and the proceeds of the First Mortgage Notes. We expect that the available remaining proceeds from the First Mortgage Notes, together with availability under the credit facilities, and cash flow from operations, will be sufficient to pay for expenditures of approximately \$1.5 billion on the Encore project without incurring additional debt or receiving additional capital contributions from Wynn Resorts. Project costs exceeding approximately \$1.5 billion are expected to be funded by an increase of up to \$125.0 million of additional availability in the Credit Facilities and/or contributions from Wynn Resorts. The Company commenced construction of Encore on April 28, 2006 and expects to open it to the public by the end of 2008.

On March 15, 2006, we amended our Wynn Las Vegas credit facilities to (a) allow us to issue up to \$100.0 million of additional First Mortgage Notes; (b) simplify draw procedures under the agreement governing our access to proceeds from our borrowings (the "Disbursement Agreement"); (c) consolidate certain accounts under the Disbursement Agreement; (d) amend and clarify certain of the conditions for the approval of the Encore budget, plans and specifications; (e) extend the outside opening date for Encore and the outside completion date for Encore to June 30, 2009 and September 30, 2009, respectively; and (f) permit expenditures of up to \$150.0 million on Encore prior to the execution of a guaranteed maximum price contract.

On March 31, 2006, Wynn Resorts, Limited delivered an equity commitment agreement to the lenders under the Wynn Las Vegas Credit Facilities. Under this agreement, Wynn Resorts has committed to pay up to \$215.3 million of Encore project costs if Wynn Las Vegas, LLC is unable to do so.

On June 30, 2006, in anticipation of a contemplated refinancing of the Credit Facilities, the Company further amended the Credit Agreement to: (i) clarify the Credit Agreement's definition of "Consolidated Total Debt"; and (ii) change the Consolidated Interest Coverage Ratio (as defined in the Credit Agreement) applicable on Quarterly Dates (as defined in the Credit Agreement) on or prior to September 30, 2007 from 2.25:1 to 2.00:1.

On July 7, 2006, we engaged Deutsche Bank Trust Company Americas, Deutsche Bank Securities Inc., Bank of America, N.A. and Banc of America Securities LLC in connection with the proposed refinancing of our Wynn Las Vegas Credit Facilities.

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The final costs of Wynn Las Vegas will be paid with proceeds from the First Mortgage Notes and the Term Loan, and the ongoing costs of Encore will be paid with funds from the following sources and in the following order of priority:

- First, by using agreed excess cash flow from the operations of Wynn Las Vegas and any equity contributions from Wynn Resorts;
- Second, by using proceeds from the First Mortgage Notes (including any additional First Mortgage Notes that may be issued in the future), and the proceeds of borrowings under the Wynn Las Vegas Credit Facilities, until exhaustion of the First Mortgage Notes proceeds, with amounts funded 66.67% from notes proceeds and 33.33% from the Wynn Las Vegas Credit Facilities;
- Third, by using proceeds of additional borrowings under the Wynn Las Vegas Credit Facilities; and
- Fourth, by using funds from the completion guarantee deposit account.

We have two interest rate swap agreements to hedge a portion of the underlying interest rate risk on borrowings under the Wynn Las Vegas Credit Facilities. See Item 3. “Quantitative and Qualitative Disclosures About Market Risk.”

Wynn Macau

Financing for Wynn Macau’s design, development, construction and pre-opening expenses is provided by a combination of cash on hand in the form of base equity loans from Wynn Resorts totaling \$230 million, subordinated loan financing from Wynn Las Vegas, LLC and loaned through affiliates to Wynn Macau, S.A. totaling \$80 million, and a senior secured credit facility. Wynn Macau, S.A.’s senior secured credit facility of \$764 million includes \$729 million of senior term loan facilities, a HK\$117 million revolving credit facility (approximately US\$15 million), and an additional term loan facility of HK\$156 million (approximately US\$20 million). As of June 30, 2006, we had borrowed approximately \$306.0 million under the Wynn Macau, S.A. senior secured credit facility.

The term loan facilities mature in September 2011, and the revolving credit facility matures in September 2007. The principal amount of the term loans is required to be repaid in quarterly installments, commencing on March 14, 2008. The term loans will bear interest at LIBOR or the Hong Kong Interbank Offered Rate (“HIBOR”) plus a margin of 3.0% until the opening of Wynn Macau (expected in the third quarter of 2006), at which time the interest rate will reduce to LIBOR or HIBOR plus a margin of 2.75%. The senior bank facility also provides for further reductions in the margin on the term loans if Wynn Macau, S.A. satisfies certain prescribed leverage ratio tests. Loans under the revolving credit facility will bear interest at HIBOR plus 2.5%.

On June 22, 2006, Wynn Macau, S.A. received consent from its lending syndicate allowing Wynn Macau, S.A. to amend certain provisions of its credit agreement to permit Wynn Macau to fund the additional \$68.4 million in costs associated with three change orders to its guaranteed maximum price construction contract and other increases in Wynn Macau’s project budget entirely from its existing \$764 million senior secured credit facilities. The additional costs are to be incurred in connection with preparatory work for additional gaming space located in the expansion of Phase II, a series of enhancements and upgrades to the overall project, and an electronic marquee sign at the entrance to Wynn Macau.

Wynn Macau will fund \$60.5 million of costs from its existing \$72 million contingent debt facility and \$7.9 million of costs from its existing \$20 million credit facility with Banco Nacional Ultramarino, S.A.

Collateral for the senior bank facility consists of substantially all of the assets of Wynn Macau, S.A. Certain affiliates that own interests in Wynn Macau, S.A., either directly or indirectly through other subsidiaries, have executed guarantees of the loans and pledged their interests in Wynn Macau, S.A. as additional security for repayment of the loans.

We began to draw under the senior bank facility in October 2005, after expenditure of the base equity and subordinated funding. Through June 30, 2006, we incurred approximately \$716 million of the total \$1.2 billion of

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budgeted project costs. Total budgeted project costs include construction and design costs (including construction contingencies) of approximately \$685 million, land acquisition costs of approximately \$49.0 million, costs related to the additional casino expansion of approximately \$68 million and capitalized interest, pre-opening expenses, financing fees and other costs totaling in the aggregate approximately \$351 million. These costs have been, and will continue to be, paid from the previously funded \$230.0 million base equity loans from Wynn Resorts and \$80 million from Wynn Las Vegas LLC and loaned through affiliates to Wynn Macau, S.A., as well as Wynn Macau, S.A.'s \$764.0 million senior secured credit facilities and cash flows from operations once Wynn Macau opens.

In addition to the above financing sources, we have \$30.0 million (plus \$2.4 million of accumulated interest earnings) of long-term restricted cash reserved as contingent equity. We have entered into interest rate swap agreements to hedge a portion of the underlying interest rate risk on borrowings under the Wynn Macau, S.A. credit facilities. See Item 3. "Quantitative and Qualitative Disclosures About Market Risk."

Other

We also had outstanding at June 30, 2006 approximately \$41.1 million of an original \$44.75 million borrowing secured by one of our corporate aircraft. This loan matures on May 24, 2010. Principal and interest are payable quarterly, and interest is calculated at LIBOR plus a margin of 2.375%. In addition to scheduled amortization payments, we are required to prepay the loans if certain events of loss with respect to the aircraft occur. Beginning December 31, 2006, we may prepay all or any portion of the loan, subject to a minimum prepayment of \$10.0 million.

Other Liquidity Matters

Wynn Resorts, Limited is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. Restrictions imposed by our subsidiaries' debt instruments significantly restrict certain key subsidiaries holding a majority of our assets, including Wynn Las Vegas, LLC and Wynn Macau, S.A., from making dividends or distributions to us. Specifically, Wynn Las Vegas, LLC and certain of its subsidiaries are restricted under the indenture governing the First Mortgage Notes from making certain "restricted payments," as defined in the indenture. These restricted payments include the payment of dividends or distributions to any direct or indirect holders of equity interests of Wynn Las Vegas, LLC. These restricted payments may not be made unless certain financial and non-financial criteria have been satisfied. The credit facilities of Wynn Las Vegas, LLC and Wynn Macau, S.A. contain similar restrictions; however, the Wynn Macau, S.A. loan agreements permit distribution of the net proceeds of subconcession sales.

If completion of the Encore or Wynn Macau projects is delayed, then our debt service obligations accruing prior to the actual opening will increase correspondingly. Wynn Las Vegas will fund its operations and capital requirements from operating cash flow and remaining availability under Wynn Las Vegas, LLC's credit facilities. We cannot assure you, however, that Wynn Las Vegas will generate sufficient cash flow from operations or that future borrowings available to us under the Wynn Las Vegas credit facilities will be sufficient to enable us to service and repay Wynn Las Vegas, LLC's indebtedness and to fund its other liquidity needs. Similarly, we expect that Wynn Macau, upon opening, will fund Wynn Macau, S.A.'s debt service obligations with operating cash flow and remaining availability under its senior secured bank facility. However, we cannot assure you that operating cash flows and available borrowings will be sufficient to do so. We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all.

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

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Wynn Resorts, Limited's articles of incorporation provide that Wynn Resorts, Limited may redeem shares of its capital stock, including its common stock, that are owned or controlled by an unsuitable person or its affiliates to the extent a gaming authority makes a determination of unsuitability and orders the redemption, or to the extent deemed necessary or advisable by our Board of Directors. The redemption price may be paid in cash, by promissory note or both, as required by the applicable gaming authority and, if not, as we elect. Any promissory note that we issue to an unsuitable person or its affiliate in exchange for its shares could increase our debt to equity ratio and will increase our leverage ratio.

Critical Accounting Policies and Estimates

A description of our critical accounting policies can be found in "Item 7. Management's Discussion and Analysis of Results of Financial Condition and Operations" of our Annual Report on Form 10-K for the year ended December 31, 2005. We present below a discussion of our policies related to share-based compensation which has been updated from the discussion in our Annual Report.

Share-Based Compensation

In December 2004, the FASB issued SFAS No. 123(R). This statement is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. SFAS No. 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods and services or incurs a liability in exchange for goods and services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. It requires an entity to measure the costs of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize that cost over the service period. We adopted this statement on January 1, 2006 under the modified prospective method and use the Black-Scholes valuation model to value the equity instruments issued. The Black-Scholes valuation model uses assumptions of expected volatility, risk-free interest rates, the expected term of options granted, and expected rates of dividends. Management determines these assumptions by reviewing current market rates, making industry comparisons and reviewing conditions relevant to our Company. In applying the modified prospective method, financial statements of prior periods presented do not reflect any adjusted amounts (i.e. prior periods do not include compensation cost calculated under the fair value method).

In March 2005, the SEC issued Staff Accounting Bulletin ("SAB") No. 107, "Share-Based Payment" to provide interpretive guidance on SFAS No. 123(R) valuation methods, assumptions used in valuation models, and the interaction of SFAS No. 123(R) with existing SEC guidance. SAB No. 107 also requires the classification of stock compensation expense in the same financial statement line items as cash compensation, and therefore impacts our departmental expenses (and related operating margins), pre-opening costs and construction in progress for our development projects, and our general and administrative expenses (including corporate expenses).

Recently Issued Accounting Standards

See "Note 2. Summary of Significant Accounting Policies" in the notes to the condensed consolidated financial statements, for a description of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risks

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

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borrowings and variable rate borrowings, and using hedging activities. We cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations. We do not use derivative financial instruments, other financial instruments or derivative commodity instruments for trading or speculative purposes.

Interest Rate Swap Information

We have entered into floating-for-fixed interest rate swap arrangements relating to certain of our floating-rate debt facilities. We account for these swaps under SFAS No. 133 and its related interpretations.

Wynn Las Vegas Swaps

On December 14, 2004, we entered into two interest rate swap arrangements to hedge the underlying interest rate risk on a total of \$400.0 million of borrowings under Wynn Las Vegas, LLC's term loan facility, which bears interest at LIBOR plus 2.125%. Under each of these two interest rate swap arrangements, we receive payments at a variable rate and pay a fixed rate of 3.793% on the \$200.0 million notional amount set forth in each of the swap instruments from February and March 2005, respectively, through December 2008.

Although these interest rate swaps are highly effective economically in fixing the interest rate on these borrowings under the new term loan facility at approximately 5.9%, changes in fair value of these interest rate swaps for each reporting period are, and will continue to be, recorded as a component of other income (expense), net, as the swaps do not qualify for hedge accounting.

Wynn Macau Swaps

On October 14, 2005, we entered into two interest rate swaps (each with three participating banks) to hedge a portion of the underlying interest rate risk on future borrowings under Wynn Macau S.A.'s \$764 million senior term loan facility. Under the first swap agreement, we pay a fixed interest rate of 4.84% on borrowings estimated to be incurred under the senior term loan facility up to a maximum of approximately \$198.2 million, in exchange for receipts on the same amounts at a variable interest rate based on the applicable LIBOR at the time of payment. Under the second swap agreement, we pay a fixed interest rate of 4.77% on borrowings estimated to be incurred under the senior term loan facility up to a maximum of approximately HK\$1.1 billion (approximately US\$140.3 million), in exchange for receipts on the same amounts at a variable interest rate based on the applicable HIBOR at the time of payment. The term of both swap agreements is from November 28, 2005 through November 28, 2008.

These interest rate swaps are expected to be highly effective in fixing the interest rate on 50% of the U.S. dollar and 50% of the Hong Kong dollar borrowings under the senior bank facility at approximately 7.84% and 7.77%, respectively. However, changes in the fair values of these interest rate swaps for each reporting period recorded are, and will continue to be, recognized as a component of other income (expense), net, as the swaps do not qualify for hedge accounting.

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Summary of Historical Fair Values and Changes in Fair Values

The following tables presents the historical asset or (liability) fair values of our interest rate swap arrangements (reflected in deposits and other assets or in other long-term liabilities as appropriate) as of June 30, 2006 and December 31, 2005 and the relative changes in fair values for the three and six months ended June 30, 2006 and 2005 (all amounts in thousands):

<u>Asset / (Liability) Fair Value at:</u>	<u>Wynn Las Vegas Interest Rate Swaps</u>	<u>Wynn Macau Interest Rate Swaps</u>	<u>All Interest Rate Swaps</u>
June 30, 2006	\$ 15,853	\$ 3,473	\$ 19,326
December 31, 2005	\$ 10,523	\$ (1,788)	\$ 8,735
<u>Increase/(Decrease) in Swap Fair Value for the periods:</u>	<u>Wynn Las Vegas Interest Rate Swaps</u>	<u>Wynn Macau Interest Rate Swaps</u>	<u>All Interest Rate Swaps</u>
Three months ended June 30, 2006	\$ 1,975	\$ 2,271	\$ 4,246
Six months ended June 30, 2006	\$ 5,330	\$ 5,261	\$ 10,591
Three months ended June 30, 2005	\$ (5,814)	\$ —	\$ (5,814)
Six months ended June 30, 2005	\$ 1,887	\$ —	\$ 1,887

The fair value approximates the amount the Company would receive if these contracts were settled at the respective valuation dates. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods.

Interest Rate Sensitivity

For the three and six months ended June 30, 2006, we incurred approximately \$44.1 million and \$86.2 million, respectively, in interest. Certain amounts of our outstanding indebtedness for the period was based upon a variable rate, LIBOR or HIBOR, plus a premium. A 1% increase in the variable rates would have increased our interest cost for the three and six months ended June 30, 2006 by approximately \$141,000 and \$282,000 respectively.

Foreign Currency Risks

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

Certain Asian countries have publicly asserted their desire to eliminate the linkage of the Hong Kong dollar to the U.S. dollar. As a result, the Hong Kong dollar and the Macau pataca may not be linked to the U.S. dollar in the future, which may result in severe fluctuations in the exchange rate for these currencies. We also cannot assure you that the current rate of exchange fixed by the applicable monetary authorities for these currencies will remain at the same level.

Because many of Wynn Macau's payment and expenditure obligations are in Macau patacas, in the event of unfavorable Macau pataca or Hong Kong dollar rate changes, Wynn Macau's obligations, as denominated in U.S. dollars, would increase. In addition, because we expect that most of the revenues for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars, we are subject to foreign exchange risk with respect to

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the exchange rate between the Hong Kong dollar and the U.S. dollar. Also, because our Macau-related entities incur U.S. dollar-denominated debt, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have adverse effects on Wynn Macau's ability to service its debt, its results of operations and its financial condition. We have not yet determined whether we will engage in hedging activities to protect against foreign currency risk.

Item 4. Controls and Procedures

(a) *Disclosure Controls and Procedures.* The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Internal Control Over Financial Reporting.* There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - OTHER INFORMATION**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***Debentures Conversions*

The Debentures are currently convertible at each holder's option into shares of the Company's common stock at a conversion price of \$23.00 per share (equivalent to 43.4782 shares per \$1,000 principal amount). During the second quarter of 2006, we issued shares of common stock upon conversion of Debentures, as set forth below:

<u>Date</u>	<u>Principal Amount of Debentures Converted</u>	<u>Number of Shares Issued Upon Conversion</u>
April 7, 2006	\$ 1,385,000	60,217
April 17, 2006	\$ 3,200,000	139,130
April 27, 2006	\$ 6,500,000	282,607
May 31, 2006	\$ 100,000	4,347
TOTAL	\$ 11,185,000	486,301

The shares of Common Stock were issued in reliance upon the exemption from registration provided in Section 3(a)(9) of the Securities Act of 1933, as amended. No commission or other remuneration was paid or given directly or indirectly for soliciting these transactions.

Dividend Restrictions

We have never declared or paid cash dividends on any shares of our common stock. We currently intend to retain all available funds and any future consolidated earnings to fund the development and growth of our business and therefore do not anticipate paying any cash dividends.

Wynn Resorts, Limited is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. Restrictions imposed by Wynn Resorts, Limited subsidiaries' debt instruments significantly restrict certain key subsidiaries holding a majority of our assets, including Wynn Las Vegas, LLC and Wynn Macau, S.A. from making dividends or distributions to Wynn Resorts, Limited. Specifically, Wynn Las Vegas, LLC and certain of its subsidiaries are restricted under the indenture governing the First Mortgage Notes from making certain "restricted payments," as defined in the indenture. These restricted payments include the payment of dividends or distributions to any direct or indirect holders of equity interests of Wynn Las Vegas, LLC. These restricted payments cannot be made unless certain financial and non-financial criteria have been satisfied. In addition, the terms of the other loan agreements of Wynn Las Vegas, LLC and Wynn Macau, S.A. contain similar restrictions; provided that the Wynn Macau, S.A. loan documents permit distribution of the proceeds of subconcession sales.

Item 4. Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Stockholders was held on May 3, 2006. The following proposal was presented to a vote of the stockholders.

Proposal No. 1 - Election of Directors (Class I)

<u>Director</u>	<u>Votes For</u>	<u>Votes Withheld</u>
Ronald J. Kramer	82,446,659	1,455,542
John A. Moran	82,724,936	1,177,265
Elaine P. Wynn	82,394,064	1,508,137

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The following Class II directors remain in office with their term expiring in 2007 - Stephen A. Wynn, Alvin V. Shoemaker, D. Boone Wayson and Stanley R. Zax. The following Class III directors remain in office with their term expiring in 2008 - Kazuo Okada, Robert J. Miller and Allan Zeman.

Item 6. Exhibits

(a) Exhibits

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1	Second Amended and Restated Articles of Incorporation of the Registrant. (1)
3.2	Third Amended and Restated Bylaws of the Registrant, as amended. (2)
*10.1	Production Rights Purchase Agreement, dated as of May 31, 2006, by and among Wynn Las Vegas, LLC; Lupa International, Inc.; Productions Du Dragon, S.A. and Franco Dragone, to which intervenes Calitri Services and Licensing Limited Liability Company.**
*10.2	Change Order No. 11 to Agreement for Guarantee Maximum Price Construction Services, dated as of June 7, 2006, by and between Marnell Corrao Associates, Inc. as Contractor and Wynn Las Vegas, LLC.
*10.3	Change Order No. 1 to Agreement for Guarantee Maximum Price Construction Services, dated as of May 25, 2006, by and between Leighton Contractors (Asia) Limited, China State Construction Engineering (Hong Kong) Limited, and China Construction Engineering (Macau) Company Limited as Contractors and Wynn Resorts (Macau) S.A.
*10.4	Change Order No. 2 to Agreement for Guarantee Maximum Price Construction Services, dated as of May 25, 2006, by and between Leighton Contractors (Asia) Limited, China State Construction Engineering (Hong Kong) Limited, and China Construction Engineering (Macau) Company Limited as Contractors and Wynn Resorts (Macau) S.A.
*10.5	Change Order No. 3 to Agreement for Guarantee Maximum Price Construction Services, dated as of May 25, 2006, by and between Leighton Contractors (Asia) Limited, China State Construction Engineering (Hong Kong) Limited, and China Construction Engineering (Macau) Company Limited as Contractors and Wynn Resorts (Macau) S.A.
10.6	Fourth Amendment to Credit Agreement, dated as of June 30, 2006, among Wynn Las Vegas, LLC, the Wynn Amendment Parties (as defined therein) and Deutsche Bank Trust Company Americas, as administrative agent on behalf of the lenders (as defined therein). (5)
10.7	Employment Agreement, dated as of May 8, 2006, by and between Wynn Resorts, Limited and Wesley Allison. (3)
10.8	First Amendment to Agreement, dated as of June 1, 2006, by and among Wynn Resorts, Limited, Wynn Resorts (Macau), S.A. and Publishing and Broadcasting, Ltd. (4)
*31.1	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a - 14(a) and Rule 15d - 14(a).
*31.2	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a - 14(a) and Rule 15d - 14(a).
*32.1	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350.

* Filed herewith.

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- ** Portions of the exhibit have been redacted and are subject to a confidential treatment request filed within the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities and Exchange Act of 1934, as amended.
- (1) Previously filed with Amendment No. 4 to the Form S-1 filed by the Registrant on October 7, 2002 (File No. 333-90600) and incorporated herein by reference.
 - (2) Previously filed with the Quarterly Report on Form 10-Q filed by the Registrant on December 9, 2002 and incorporated herein by reference.
 - (3) Previously filed with the Current Report on Form 8-K filed by the Registrant on May 11, 2006 and incorporated herein by reference.
 - (4) Previously filed with the Current Report on Form 8-K filed by the Registrant on June 6, 2006 and incorporated herein by reference.
 - (5) Previously filed with the Current Report on Form 8-K filed by the Registrant on July 7, 2006 and incorporated herein by reference.

SIGNATURE

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

WYNN RESORTS, LIMITED

Dated: August 7, 2006

/s/ JOHN STRZEMP

By: _____

John Strzemp
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

PRODUCTION RIGHTS PURCHASE AGREEMENT

This Agreement is made this 31 day of May, 2006 (the “**Effective Date**”) by and among Wynn Las Vegas, LLC (“**Wynn**”), Lupa International Inc. (“**Lupa**”), Productions du Dragon, S.A. (“**Dragon**”) and Franco Dragone, to which intervenes Calitri Services and Licensing Limited Liability Company (“**Calitri**”).

RECITALS

On October 31, 2002, Calitri and Wynn entered into that certain Licence Agreement (as amended to the date hereof, the “**License Agreement**”) pursuant to which Calitri licensed to Wynn, on an exclusive basis, the necessary rights to produce and present live performance of the Le Reve Show (the “**Show**”) and to create, manufacture, produce, sell and distribute derivative products and merchandising and to produce, distribute and sell publications relating to the Show, all as provided in the License Agreement;

As of the date of execution of this Agreement, (i) the License Agreement and all associated rights and obligations have been transferred and assigned by Calitri to Lupa and (ii) all of the rights transferred, assigned and sold mentioned in Sections 2.a hereof are owned by Lupa;

On October 31, 2002, Dragon and Wynn entered into that certain Production Services Agreement (as amended to the date hereof, the “**Production Services Agreement**”) pursuant to which Dragon agreed to provide certain services as defined in the Production Services Agreement, on the terms set forth in the Production Services Agreement. The License Agreement and the Production Services Agreement may hereafter be collectively referred to as the “**Dragon Agreements**”.

Wynn wishes to upgrade/enhance/change the Show.

The parties have agreed to terminate the License Agreement and the Production Services Agreement on the terms set forth in this Agreement.

Now therefore, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Capitalized Terms. All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Dragon Agreements.
2. Transfer of Rights.

a. Subject to paragraph f) below, Lupa hereby assigns, transfers and sells to Wynn or its designee all rights of every kind that it holds in and to the Show and all elements thereof in perpetuity, including, without limitation, all rights described in Section 2 of the License Agreement and all intellectual property and moral rights associated with the Show (all intellectual property and moral rights being assigned for the duration of such

rights as determined by law); provided that Lupa shall not retain any rights to approve the use or exploitation of any such rights. Lupa agrees to execute all such documents that are necessary to effectively transfer ownership of such rights to Wynn.

b. Subject to paragraph f) below, Dragon hereby assigns, transfers and sells to Wynn or its designee all rights of every kind that it holds in and to the Show and all elements thereof, including, without limitation all intellectual property and moral rights associated with the Show (all intellectual property and moral rights being assigned for the duration of such rights as determined by law). Dragon agrees to execute all such documents that Wynn may present to Dragon to effectively transfer ownership of such rights to Wynn.

c. Subject to paragraph f) below, Franco Dragone hereby assigns, transfers and sells to Wynn or its designee all rights of every kind that he holds in and to the Show and all elements thereof, including, without limitation all intellectual property and moral rights associated with the Show (all intellectual property and moral rights being assigned for the duration of such rights as determined by law). Franco Dragone agrees to execute all such documents that Wynn may present to Franco Dragone to effectively transfer ownership of such rights to Wynn.

d. Subject to paragraph f) below, Dragon, Lupa and Franco Dragone agree to acquire and transfer to Wynn all intellectual property and moral rights associated with the Show and all elements thereof for the duration of such rights as determined by law, that are currently held by third party creators (the "**Third Party Conceptors**"). Dragon, Lupa and Franco Dragone agree to cause each Third Party Conceptor to assign, transfer and sell to Wynn or its designee all rights in and to the Show owned by each Third Party Conceptor and all elements associated therewith for the duration of such rights as determined by law. For the avoidance of all doubt, Dragon, Lupa and Franco Dragone shall be responsible for payment to the Third Party Conceptors of any fee associated with the transfer of such rights.

e. Wynn undertakes to respect all obligations pursuant to Lupa's agreements with Third Party Conceptors that relate to recognition/acknowledgement/attribution rights of their work. Lupa shall provide to Wynn the relevant portions of the Third Party Conceptor agreements reflecting these obligations. Wynn further agrees to work with Lupa in good faith to provide accurate information to Lupa regarding which works or not of the Third Party Conceptors are being retained in the new Show as this information becomes available to assist Lupa in fulfilling its ongoing obligations with the Third Party Conceptors.

f. The parties hereto also agree as follows:

i) Wynn acknowledges and agrees that Dragon, Lupa and Franco Dragone shall not be required to assign or transfer any rights to the music (and its lyrics) currently used in the Show, however, Dragon, Lupa and Franco Dragone shall ensure that Wynn has the continued unrestricted right to use the Show music (and its lyrics) in the Show through January 31, 2007. Dragon, Lupa and Franco Dragone shall be responsible to pay all fees associated with the use of the Show music in the Show through January 31, 2007.

ii) With respect to the choreography elements of the Show created by Guiliano Peparini, Dragon, Lupa and Franco Dragone have represented to Wynn that Guiliano Peparini currently receives a royalty of \$[*] per Show. Wynn will directly assume the delivery of such royalty payment to Guiliano Peparini.

iii) With respect to the aerial act elements of the Show created by Didier Antoine: Dragon, Lupa and Franco Dragone have represented to Wynn that Didier Antoine currently receives a royalty of \$[*] per Show. Wynn will directly assume the delivery of such royalty payment to Didier Antoine.

iv) With respect to the synchro swimming elements of the show created by Dasha Nedorezova, Dragon, Lupa and Franco Dragone have represented to Wynn that Dasha Nedorezova currently receives a royalty of \$[*] per Show. Wynn will directly assume the delivery of such royalty payment to Dasha Nedorezova.

g. Dragon, Lupa and Franco Dragone further represent and warrant that they are not aware of any material intellectual property or moral rights associated with the Show or otherwise necessary for the performance of the Show that will not be owned by Wynn upon the execution of this Agreement and the delivery of the Purchase Price, except as otherwise described in this Section 2. Dragon, Lupa and Franco Dragone do hereby agree to execute and deliver to Wynn any documents reasonably requested by Wynn to effectively transfer the intellectual property rights purchase by Wynn as more fully described in Sections 2.a, 2.b, 2.c and 2.d.

3. On-Going Services. Dragon agrees that through January 31, 2007, Dragon and Lupa shall continue to provide to Wynn all services currently provided by Dragon and Lupa including but not limited to those services listed on Schedule A attached hereto on the same payment basis as in effect on the date hereof. Dragon and Lupa shall also receive ongoing compensation equal to the royalty payment and profit sharing referred to under the Dragon Agreements calculated in the manner as of the date hereof (i.e. the modified fee calculation agreed upon by the parties in May 2005). The parties agree that all provisions of the Dragon Agreements relating to such compensation including those in connection with the examination of books and records and budgetary approvals are hereby incorporated herein and will be deemed applicable and enforceable between the parties until January 31, 2007. For the avoidance of doubt, Dragon, Lupa and Franco Dragone shall have no obligation to provide any services in connection with modifications made to the Show; provided however, Dragon and Lupa and Franco Dragone agree to assist Wynn with maintaining the visa statuses and other immigration requirements of the artists through the current expiration dates of the such visas and not take any action adverse to the visa statuses of the artists.

4. **Purchase Price.** Upon the execution and delivery of this Agreement, Wynn irrevocably agrees to make a payment to Lupa in the amount of \$15,871,952 (the "**Purchase Price**"), which amount shall represent the entire amount due for the purchase assignment or conveyances of the rights set forth in Section 2 and the repayment of all unreimbursed excess production costs. If this Agreement is not executed by Lupa and Dragon by May 31, 2006, Wynn shall have the right to terminate this Agreement.

5. **Termination.** Subject to Section 3 hereof, the parties agree that upon payment by Wynn of the Purchase Price, the Dragon Agreements shall terminate and be of no further force or effect. Other than as provided herein, from and after the Termination Date, neither Lupa nor Dragon shall have any right under the Dragon Agreements, nor shall they be entitled to any payments thereunder except as provided under Section 3 hereof.

6. **Confidentiality.** Other than as required by applicable securities and other laws and as provided hereby, the parties agree that the terms and provisions of this Agreement are confidential and shall not be disclosed to any third party. The parties also agree not to disparage one another or the Show.

7. **Agreement Expiration.** If this Agreement is not executed and delivered by all parties by May 31, 2006 the offer and terms of this Agreement shall automatically terminate and cease and be of no further force of effect.

8. **Communication Strategy.** Wynn and Franco Dragone agree that, subject to Wynn public disclosure obligations, Wynn and Franco Dragone shall coordinate on the development and delivery of a mutually acceptable communication of the matters covered by this Agreement.

9. **Assignment.** This Agreement may be assigned by any of the parties to a related or affiliated entity, without the prior consent of the other party.

In witness whereof, the undersigned have set their hands to this Agreement as of the date first written above.

Wynn Las Vegas, LLC

By: /s/ David Sisk
Name: David Sisk
Title: CFO

Productions Du Dragon, S.A.

By: /s/ Louis Parenteau
Name: Louis Parenteau
Title: President

Lupa International Inc.

By: /s/ Austin L. Sealy
Name: Austin L. Sealy
Title: Authorized Signatory

Franco Dragone

/s/ Franco Dragone
Franco Dragone

INTERVENTION:

Intervening herein is Calitri Services and Licensing Limited Liability Company who hereby declares, represents and warrants and confirms that (i) the License Agreement has been transferred and assigned to Lupa International Inc. and (ii) all of the rights mentioned in Section 2.a of this Agreement are effectively owned by Lupa International Inc. as of the date of execution of this Agreement and that Calitri Services and Licensing Limited Liability Company is a third party beneficiary of this Agreement and (iii) it has transferred, assigned, sold and conveyed to Lupa International Inc. all the intellectual property and moral rights it possessed and held, of every kind, in and to the Show and all the elements thereof without limitation or reserve and that Lupa International Inc. possesses good clear and unrestricted title and ownership to same and may convey and transfer such rights to Wynn Las Vegas or its designee without a reserve, reservation of rights or limitation and (iv) with the exception of the rights to the music and lyrics referred to in Section 2.f(i), Lupa is not aware of any material intellectual property or moral rights associated with the Show or otherwise necessary for the performance of the Show owned or held by any third party other than Wynn Las Vegas.

Calitri Services and Licensing Limited Liability Company

By: /s/ Austin L. Sealy

Name: Austin L. Sealy

Title: Authorized Signatory:

Schedule A

- Continue to provide artistic direction and coordination as required and agreed to by Wynn.
- Continue to provide costumes, costume pieces and costume related items as requested and ordered by Wynn.
- Continue to provide artist audition and replacement services as required and agreed to by Wynn.
- Continue to audition and review potential replacement artists (Americas, Canadian and European) and provide Wynn with a list of these artists that includes all specifics.
- Continue to provide any and all production and technical assistant as requested and agreed to by Wynn.
- Continue to provide marketing and publicity consultation, input and assistance as requested and agreed to by Wynn.
- Assist in maintaining Visa status and requirements for the artists as requested by Wynn until such time as the current visas expire.

**AGREEMENT FOR GUARANTEED MAXIMUM PRICE
CONSTRUCTION SERVICES**

CHANGE ORDER

7 June 2006

Project: Wynn Las Vegas

Change Order No.: 11

“Contractor”:

MARNELL CORRAO ASSOCIATES, INC.
222 Via Marnell Way
Las Vegas, Nevada 89119

“Owner”:

WYNN LAS VEGAS, LLC
3131 Las Vegas Boulevard So.
Las Vegas, Nevada 89109

That certain **Agreement for Guaranteed Maximum Price Construction Services between Owner and Contractor for Wynn Las Vegas (“Project”)** dated as of June 4, 2002 (**“Contract”**) is hereby modified as follows:

1. DEFINITIONS.

Initial capitalized terms not otherwise defined in this Change Order shall have the meanings attributed to such terms in the Contract.

2. SCOPE OF WORK

As provided in Section 15.1.1 of the Contract, the Owner, at its sole expense, implemented an Owner Controlled Insurance Program (OCIP) to furnish certain insurance coverages with respect to the on-Site activities of the Contractor and Subcontractors. The OCIP was established for the benefit of the Owner and Contractor and Subcontractors of all tiers who have performed Work on-Site.

The original Guaranteed Maximum Price in the Contract reflected a credit of \$18,000,000.00, based upon the parties’ best efforts to estimate the construction cost savings to be realized as a result of the Owner’s furnishing of the insurance coverages provided under the OCIP. Based on Change Orders No. 4 & 5, the amount of the credit for projected savings for the OCIP was increased from \$18,000,000 to \$19,867,980.

Section 15.1.3 of the Contract provides that at the end of the Project, prior to Final Payment, the Guaranteed Maximum Price will be adjusted as a result of any variance between the actual savings amount and projected savings established by the foregoing credit amount, pursuant to an OCIP audit.

Section 12.2.1.16 of the Contract requires that as a condition to Final Payment and Final Completion, an OCIP audit be prepared and reasonably approved by Owner which reflects the actual savings amount from the OCIP.

Contractor having achieved Final Completion for all Work areas covered by the OCIP, an OCIP audit was conducted by the OCIP Administrator and Contractor and Owner have agreed upon the results of the OCIP audit. Owner and Contractor agree that based upon the OCIP audit, the actual savings amount for the OCIP is \$24,236,418.

The following is a summary level recap of the results of the OCIP Audit:

Project	Job Number	Total MCA OCIP Deduction
Master Plan	100-00-000	19,316
Highrise	100-01-000	7,075,375
Lowrise Master Plan	100-02-000	571,989
Area 1	100-02-100	2,518,466
Area 2	100-02-200	3,439,092
Area 3	100-02-300	3,457,128
Area 4	100-02-400	2,815,733
Area 6	100-02-500	369,471
Aqua Theater	100-03-000	1,165,330
Site Improvements	100-06-000	749,829
Lake Feature	100-07-000	1,660,271
Villas	100-08-000	932,917
Fairway Suites	100-09-000	432,220
Fairway Villas Expansion	120-03-000	497,583
Showroom #1	120-05-000	531,699
Revised MCA OCIP Deduction		26,236,418
Mutually Agreed Upon Credit Adjustments		(2,000,000)
Total MCA OCIP Deduction		24,236,418
Credits Taken:		
Original Contract		18,000,000
Change Order #4 – Showroom Addition		581,507
Change Order #5 – Lake/Mountain		1,286,473
Total OCIP Credits		19,867,980
GMP Credit / Final OCIP Adjustment		4,368,438

Accordingly, pursuant to Section 15.1.3 of the Contract, and the procedures outlined in Section E of the OCIP Manual attached as Exhibit P to the Contract, the Guaranteed Maximum Price is to be adjusted to reflect the variance between the actual savings amount of the OCIP (\$24,236,418) as determined by the OCIP audit, and the projected savings established by the total OCIP credit amount (\$19,867,980) provided for in the Guaranteed Maximum Price based on the original Contract as increased by Change Orders No. 4 & 5, by applying such variance (\$4,368,438) as a further credit to the Guaranteed Maximum Price, thereby reducing the Guaranteed Maximum Price to account for the OCIP variance.

3. DECREASE TO GUARANTEED MAXIMUM PRICE

The GMP set forth in Section 3.1 of the Contract is by this Change Order hereby decreased, by \$4,368,438 (equaling the amount of the variance in the OCIP credit), from \$1,133,479,322 to \$1,129,110,884 as detailed in Paragraph 2 above. From and after the date of this Change Order, any and all references in the Contract Documents to the "Guaranteed Maximum Price" shall mean the amount of \$1,129,110,884.

Owner and Contractor agree, acknowledge and accept the results of the OCIP audit as set forth in Paragraph 2 above, and the application of the variance and the adjustment to the Guaranteed Maximum Price as set forth in this Paragraph 3, as full and complete satisfaction of the OCIP Audit and the requirements of Sections 12.2.1.16 and 15.1.3 of the Contract.

4. RETAINAGE.

As of the date of this Change Order, Owner is holding as Retainage, the total amount of \$1,207,550 ("Retainage Amount"). The Retainage Amount shall be released pursuant to the terms of the Contract.

5. PROJECT SCHEDULE

As of the date hereof the Guaranteed Date of Substantial Completion for the Project which is defined as 27 April 2005 has been achieved by the Contractor. The Phase I Primary Contractor's Completion Certificate was executed and delivered to the Owner and Owner's Lenders on 30 September 2005.

6. RELEASE

In consideration of Owner's entering into this Change Order and agreeing to the \$2,000,000 Credit Adjustment set forth above in the OCIP credit calculation, and as a condition precedent to such Credit Adjustment, effective as of the date of this Change Order, Contractor, on behalf of itself and its successors, assigns, officers, members, managers, affiliates, agents, representatives, past and present, from and hereby fully and completely waives, any and all claims with respect to (i) OCIP and insurance audits as set forth in this Change Order, (ii) the monthly Applications for Progress Payment previously paid by Owner.

In consideration of Contractor's entering into this Change Order, subject to delivery of the release of the Notice of Lien pursuant to Paragraph 7, and effective as of the date of this Change Order, Owner hereby fully and completely waives any and all claims with respect to (i) OCIP and insurance audits, and (ii) the monthly job cost audits on the Applications for Progress Payment submitted by Contractor.

Owner acknowledges that as of the date of this Change Order, and subject to Contractor's performance of its obligations and covenants under this Change Order and the Contract, Owner is not aware of any Claims held by Owner against Contractor under the Contract or at law or in equity, other than as to defective or non-complying work as to which Owner has already notified Contractor.

Contractor hereby agrees, represents and warrants that the matters released in this Change Order are limited to matters related to the OCIP and the monthly job cost audits on the Applications for Progress Payment. Contractor's releases and waivers in this Change Order shall be and remain in effect as a full and complete release of all OCIP and job cost audit matters.

7. PAYMENT AND RELEASE OF LIEN

Contractor has recorded in Clark County, Nevada Recorder's Book 20060406, as Instrument 0000368, a notice of lien against the Property (the "Notice of Lien"). Concurrent with the execution of this Change Order, Contractor shall deliver to Owner a duly executed and acknowledged release of the Notice of Lien.

All future payments will be handled pursuant to the terms of the Contract.

8. MISCELLANEOUS

In no event, except to the extent expressly set forth in this Change Order, shall this Change Order or any term, provision, condition or release herein contained, in any way be or be construed to be a limitation on, or waiver or release of, any liability, responsibility or obligation of Contractor (or any party that provided any services or materials to the Site or Project for, through, under the supervision of or on behalf of Contractor), directly or indirectly relating in any way to or arising out of or under the Contract and or any of the materials, services and/or Work performed by, through, under the supervision of or on behalf of Contractor on the Site and/or Project. Further, except to the extent expressly set forth in this Change Order, nothing in this Change Order shall in any way impair, limit, modify, waive, release, or reduce Owner's rights, including, but not limited to, warranty, audit and/or setoff rights, under the Contract or any terms or conditions therein.

Except to the extent expressly set forth in this Change Order, nothing in this Change Order shall in any way impair, limit, modify, waive, release, or reduce Contractor's rights under the Contract or any terms or conditions therein.

This Change Order is effective as of June 7, 2006. The invalidity of any of the provisions, or any portion thereof, of this Change Order, shall not affect the remaining provisions or remaining portion thereof, and the remainder shall be construed as if such invalid provision or portion thereof had not been included in this Change Order.

OWNER:

WYNN LAS VEGAS, LLC,
a Nevada limited liability company

By: /s/ Todd Nisbet
Name: Todd Nisbet
Title: Assistant Secretary

CONTRACTOR:

MARNELL CORRAO ASSOCIATES, INC.,
a Nevada corporation

By: /s/ Perry A. Eiman
Name: Perry A. Eiman
Title: President

ARCHITECT:

BUTLER/ASHWORTH ARCHITECTS, LLC

By: /s/ DeRuyter Butler
Name: DeRuyter Butler
Title: President

AMENDED AND RESTATED
DESIGN-BUILD AGREEMENT FOR GUARANTEED MAXIMUM PRICE
ARCHITECTURAL, ENGINEERING AND CONSTRUCTION SERVICES
DATED SEPTEMBER 14, 2005

CHANGE ORDER AND AMENDMENT

10 MARCH 2006

Project: Wynn Resorts Macau

Change Order No.: 1

“Contractor”: jointly and severally:
LEIGHTON CONTRACTORS (ASIA) LIMITED
39th Floor, Sun Hung Kai Centre
30 Harbour Road
North Wanchai
Hong Kong

“Owner”:
WYNN RESORTS (MACAU) S.A.
335-341, Alameda Dr. Carlos d’Asumpcao
9th Floor, Hotline Centre
Macau

CHINA STATE CONSTRUCTION
ENGINEERING (HONG KONG) LIMITED
29th Floor, China Overseas Building
139 Hennessy Road
Hong Kong

CHINA CONSTRUCTION ENGINEERING
(MACAU) COMPANY LIMITED
Rua do Campo No. 78
Edificio Commercial Zhang Kian, 18 andar
Macau

Pursuant to Article XVIII of that certain **Amended and Restated Design-Build Agreement for Guaranteed Maximum Price Architectural, Engineering and Construction Services between Owner and Contractor** for the design and construction of a luxury resort/hotel/casino complex in Macau known as Wynn Resorts Macau, executed and delivered as a deed on September 14, 2005 (the “Contract”), and the desire of the Owner and Contractor to amend and supplement certain terms and provisions of the Contract, the Contract is hereby modified by this agreement and all related drawings, plans and specifications attached hereto (collectively, the “Change Order”), made as a deed effective as of the date set forth above:

Scope of Work. The Scope of Work is changed as follows;

1. Revised Elevator Lobby

Location: Front of House Hotel Lobby

The entry to the Hotel Public Lift Lobby is revised to improve traffic flow and increase exposure to the retail space. The side elevation of Retail Space 5, facing the lobby, is revised from glass to interior décor consistent with the surrounding lobby. The side elevation to Retail 6A, facing the Hotel Public Lift Lobby, is revised to glass.

Change Request Form: 106

Design Action Notification: DAN/0001

Increase to the Guaranteed Maximum Price: HK\$ 40,000/ USD 5,128

2. Convert Spa single rooms to doubles

Location: Spa & Health Club in Level 1

The layout of the Spa and Health Club is revised to incorporate a pair of enlarged relaxation rooms for couples in place of the original four single relaxation rooms. Two additional single relaxation rooms are added adjacent to the lounges. Finishes to the Spa Manager's office are upgraded to front of house standard.

Change Request Form: 107

Design Action Notification: DAN/ 002

Increase to the Guaranteed Maximum Price: HK\$ 353,561/ USD 45,329

3. Additional service counters and Points of Sale.

Location: Grand Café, Japanese Restaurant, Noodles Restaurant, Food Court, VIP dining and Italian Restaurant.

Additional service counters with point of sale provisions are included to the various restaurants and food outlets as follows:

Grand Café

Japanese Restaurant

Noodles Restaurant

Food Court

VIP Dining

Italian Restaurant

Change Request Form: 109

Design Action Notification: DAN/ 003

Increase to the Guaranteed Maximum Price: HK\$ 142,500/ USD 18,270

4. Relocation of Satellite Bank

Location: South Side Back of House Area

The Satellite Bank is relocated from the Ground Floor (GL 18/F-1) into the unassigned area at the First Floor (GL 17/ C-4). A new cart storage area is added adjacent to the cage to be connected to the Satellite bank above via a vertical shaft with a dumb waiter.

Change Request Form: 110

Design Action Notification: DAN/ 004

Increase to the Guaranteed Maximum Price: Nil

5. Employees' Kiosk

Location: First Floor, South Side, Back of House Area.

Employee kiosks (2nr) are added adjacent to the Health Care Centre and Satellite Bank respectively.

Change Request Form: 113

Design Action Notification: DAN/ 006

Increase to the Guaranteed Maximum Price: HK\$ 120,000/ USD 15,385

6. Observation Room layout

Location: First Floor, I.T Department

The layout of the Observation Room is rearranged to create additional space for security staff and monitoring equipment.

Change Request Form: 115

Design Action Notification: DAN/ 017

Increase to the Guaranteed Maximum Price: HK\$ 27,500/ USD 3,526

7. Chinese Restaurant

Location: Ground Floor, Chinese Restaurant

The layout and interior design of the restaurant is revised. The revised design incorporates a separate entrance to allow public officials and families with minors to access from outside the Casino. The layout and seating plan to the restaurant are revised accordingly.

Change Request Form: 116

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1.

Increase to the Guaranteed Maximum Price: Nil

8. Casino Lounge

Location: Ground Floor, Casino Lounge

The layout and interior design of the Casino Lounge is revised to allow inclusion of the separate entry to the Chinese Restaurant which bypasses the Casino. The Casino Lounge area will also function as the entrance/ waiting area for the Chinese Restaurant with access from the Casino side.

Change Request Form: 117

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1.

Increase to the Guaranteed Maximum Price: Nil

9. End Suite to be upgraded to Villas

Location: Hotel End Suites (S2s)

The interior décor to Hotel End Suites (S2s) from floors 13 to 22 (10 nr) is upgraded.

Change Request Form: 118

Design Action Notification: DAN/ 0018

Increase to the Guaranteed Maximum Price: HK\$ 6,120,528/ USD 784,684

10. Power and mounting support for External Retail Signage

Location: Exterior Façade at North Elevation

Power provisions added for 3nr exterior retail signs at North Elevation. Signage is to be provided by retailers.

Change Request Form: 119

Design Action Notification: DAN/ 0013

Increase to the Guaranteed Maximum Price: HK\$ 110,000/ USD 14,103

11. Hotel Main Entry layout

Location: Main Hotel Entrance

The Hotel Main Entry is revised to incorporate a revolving door.

Change Request Form: 122

Design Action Notification: DAN/ 0007

Increase to the Guaranteed Maximum Price: HK\$ 250,000/ USD 32,052

12. Coat Check-in and Storage

Location: First Floor, Meeting Rooms

A separate coat check-in and storage area is added adjacent to the Main Meeting Rooms at the First Floor GL 20/ V-T.

Change Request Form: 123

Design Action Notification: DAN/ 0014

Increase to the Guaranteed Maximum Price: HK\$ 50,000/ USD 6,410

13. Hotel Registration Counter

Location: Hotel Main Registration Counter

Provision of additional cooling fans to the Main Registration counter to meet cooling requirements of I.T Equipment.

Change Request Form: 125

Design Action Notification: DAN/ 0046

Increase to the Guaranteed Maximum Price: HK\$ 76,000/ USD 9,744

14. VIP Manager's Office / pantry

Location: Ground Floor, VIP Area

The private dining room to the VIP Casino is deleted and is replaced with a VIP Manager's Office, dry pantry and connecting corridor.

Change Request Form: 126

Design Action Notification: DAN/ 0019

Increase to the Guaranteed Maximum Price: HK\$ 67,000/ USD 8,590

15. VIP Registration Counter

Location: Ground Floor, VIP Registration

Minor changes to registration counter design to accommodate operating equipment requirements.

Change Request Form: 127

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1.

Increase to the Guaranteed Maximum Price: Nil

16. Cashier stations for restaurants

Location: Ground Floor, Chinese Restaurant, Grand Cafe, Japanese Restaurant, Noodles Restaurant and First Floor, Italian Restaurant.

Cashier stations are added to the kitchens within the following restaurants:

Chinese Restaurant

Grand Café

Japanese Restaurant

Noodles Restaurant

Italian Restaurant

Change Request Form: 130

Design Action Notification: DAN/ 008

Increase to the Guaranteed Maximum Price: HK\$ 75,075/ USD 9,625

17. Refrigerated wine cabinets

Location: First Floor, Italian Restaurant

Refrigerated wine coolers (4nr) are included at the Italian Restaurant. These are to be housed in millwork at the back of the drinks bar.

Change Request Form: 132

Design Action Notification: DAN/ 0057

Increase to the Guaranteed Maximum Price: HK\$ 200,000/ USD 25,641

18. Power and data for additional ATMs

Location: Podium Areas

Power and data provisions are included for additional ATMs at the following locations:

- Chinese Restaurant – 1nr
- Food Court – 1nr
- Retail Promenade – 2nr
- Staff Dining – 2nr

Change Request Form: 133

Design Action Notification: DAN/ 0015

Increase to the Guaranteed Maximum Price: HK\$ 30,000/ USD 3,831

19. Re-design Spa lockers

Location: First Floor, Spa & Health Club

The detail of the changing room lockers is revised to accommodate hanging of coats within individual lockers.

Change Request Form: 135

Design Action Notification: DAN/ 0016

Increase to the Guaranteed Maximum Price: HK\$ 52,000/ USD 6,667

20. Exterior entry from Pool side

Location: Ground Floor, Japanese Restaurant

A separate entrance is provided at the pool side, which will allow access to public officials and minors without entering the Casino.

Change Request Form: 138

Design Action Notification: DAN/ 0020

Increase to the Guaranteed Maximum Price: Nil

21. Enlarge width of connecting door

Location: All levels of the Hotel Tower

The width of doors connecting the standard guest rooms corridor to VIP Room corridor are increased to allow easier access for house keeping services carts.

Change Request Form: 139

Design Action Notification: DAN/ 0009

Increase to the Guaranteed Maximum Price: HK\$ 15,000/ USD 1,923

22. Spare toilet roll holder and retractable clothes line

Location: All typical guest rooms in Tower

Provision of a retractable clothes line and an additional toilet roll holder to all bathrooms.

Change Request Form: 140

Design Action Notification: DAN/ 0021

Increase to the Guaranteed Maximum Price: HK\$ 270,000/ USD 34,616

23. Additional towel rings

Location: Hotel End Suites (S2s)

Provision of an additional hand towel ring at the powder rooms of all End Suites (S2s).

Change Request Form: 141

Design Action Notification: DAN/ 0022

Increase to the Guaranteed Maximum Price: Nil

24. Security Monitor Room layout

Location: First Floor, Security Monitor Room

The Security (Monitor Room) and adjacent unassigned space are combined into a single enlarged Monitor room and the interior and equipment layout is revised as shown on marked up drawing WRM/186.01 rev.0 attached with the CRF 142.

Change Request Form: 142

Design Action Notification: DAN/ 0010

Increase to the Guaranteed Maximum Price: HK\$ 33,000/ USD 4,231

25. Lost & Found Room layout

Location: First Floor, Lost and Found Room

The room layout is revised and a service window, with security grille, and additional racking are provided.

Change Request Form: 143

Design Action Notification: DAN/ 0011

Increase to the Guaranteed Maximum Price: HK\$ 60,000/ USD 7,692

26. E&M provision for Post Mix

Location: First Floor, Back of House Area

Post mix provisions for the Podium Food and Beverage outlets are revised. The change involves provision of 4 nr stand alone systems for the Casino Service and a centralized system to serve the Staff Dining facility. Post mix equipment is to be supplied and installed by the operator with additional electrical and mechanical provisions for functioning of the equipment to be provided by the Contractor.

Change Request Form: 145

Design Action Notification: DAN/ 0067

Increase to the Guaranteed Maximum Price: HK\$ 150,000/ USD 19,231

27. E&M provision for additional TVs

Location: First Floor, Health Club & Spa

Power and signal cable provision is added for LCD TV screens at two locations.

Change Request Form: 146

Design Action Notification: DAN/ 0012

Increase to the Guaranteed Maximum Price: HK\$7,500/ USD 962

28. Additional power points and shelving

Location: Ground Floor, Hotel Service Kitchen

Shelving and power provision is added for an additional 11 nr hot boxes at the Hotel service kitchen.

Change Request Form: 147

Design Action Notification: DAN/ 0023

Increase to the Guaranteed Maximum Price: HK\$ 45,000/ USD 5,769

29. Installation of whiteboards

Location: First Floor, Business Centre & Executive Office

The original presentation rails to these rooms are cancelled. The Owner will provide whiteboards to be installed by the Contractor.

Change Request Form: 148

Design Action Notification: DAN/ 0047

Increase to the Guaranteed Maximum Price: Nil

30. E&M provision for additional LCD display

Location: Ground Floor, Public Areas

Power and data provisions are added for LCD displays (Janus boards) at two ground floor locations.

Change Request Form: 149

Design Action Notification: DAN/ 0048

Increase to the Guaranteed Maximum Price: HK\$7,500/ USD 962

31. Power points provision for fly exterminators

Location: All kitchens

Provision for a total of 22nr additional fly exterminators to be provided in the kitchens.

Change Request Form: 152

Design Action Notification: DAN/ 0024

Increase to the Guaranteed Maximum Price: HK\$115,000/ USD 14,744

32. Change door opening

Location: Hotel Retail Space 11 and 12

The store area in retail space 11 is reassigned to Retail Space 12. The change involves moving the store door opening to a new position within Retail Space 12.

Change Request Form: 154

Design Action Notification: DAN/ 0025

Increase to the Guaranteed Maximum Price: Nil

33. Additional I.T & Points of Sale

Location: All Areas.

Additional POS service points are provided for Food and Beverage and Retail outlets based on Wynn Resorts Macau's final requirements.

Change Request Form: 156

Design Action Notification: DAN/ 0038

Increase to the Guaranteed Maximum Price: HK\$ 230,000/ USD 29,488

34. Robe hooks on Closet Room

Location: All Guest Rooms

The robe hooks to Guest room closet doors are deleted. Surplus robe hooks are to be installed at the Bathrooms as directed by the Interior Designer.

Change Request Form: 161

Design Action Notification: DAN/ 0040

Increase to the Guaranteed Maximum Price: Nil

35. Pneumatic tube ducts

Location: Gaming and Related Support Areas

Drywall enclosures to pneumatic tube ducts are deleted.

Change Request Form: 162

Design Action Notification: DAN/ 0026

Increase to the Guaranteed Maximum Price: Nil

36. Re-arrange wall at Executive Office

Location: First Floor, Executive Offices

The wall detail between Office 1 and the Conference Room is revised to form an enlarged drapery pocket that extends the full length of the window at GL Q/P. Lighting and drapery to the room will be controlled from Office No.1 to ensure the window is lit uniformly when viewed from the outside.

Change Request Form: 163

Design Action Notification: DAN/ 0039

Increase to the Guaranteed Maximum Price: Nil

37. Electronic access controlled doors

Location: All areas.

Final revisions are incorporated to the Electronic access controlled doors to meet Wynn Resorts Macau's security consultant's requirements.

Change Request Form: 165

Design Action Notification: DAN/ 0050

Increase to the Guaranteed Maximum Price: Nil

38. IT Cable Infrastructure

Location: All areas

Final revisions are incorporated to the IT cabling infrastructure to meet Wynn Resorts Macau Operation's requirements.

Change Request Form: 166

Design Action Notification: DAN/ 0051

Increase to the Guaranteed Maximum Price: Nil

39. Upgrade the Radio System

Location: All areas

The trunk radio system is upgraded from an analogue system to a digital system with capacity for 300 handsets and the flexibility for future expansion to 900 handsets.

The Contractor provides cabling for the radio system with all handsets and active equipment to be provided by the Owner.

Change Request Form: 167

Design Action Notification: DAN/ 0027

Increase to the Guaranteed Maximum Price: Nil

40. Extend Bag Storage Area

Location: Ground Floor, Hotel Lobby

The baggage store is extended to provide a separate area for long term bag storage.

Change Request Form: 170

Design Action Notification: DAN/ 0028

Increase to the Guaranteed Maximum Price: HK\$ 40,696/ USD 5,217

41. Ice Machine surround

Location: Hotel Tower

Provision of partitions to enclose space behind the ice making machines on each Hotel floor.

Change Request Form: 171

Design Action Notification: DAN/ 0029

Increase to the Guaranteed Maximum Price: HK\$ 47,300/ USD 6,064

42. Replace grill plate with deep fryer

Location: Café Kitchen

The grille plate is replaced with a deep fat fryer at this kitchen.

Change Request Form: 172

Design Action Notification: DAN/ 0030

Increase to the Guaranteed Maximum Price: HK\$ 10,000/ USD 1,283

43. Chopping board length adjustment

Location: Commissary Kitchen, R.S Kitchen, Japanese Sushi Bar, Italian Restaurant Kitchen.

The chopping boards at these kitchens are increased in length.

Change Request Form: 173

Design Action Notification: DAN/ 0052

Increase to the Guaranteed Maximum Price: HK\$ 10,000/ USD 1,283

44. Convert Sushi Counter sink into sensor operated

Location: Japanese Restaurant

The faucet provided to the Sushi Bar sink is to be sensor operated in lieu of manual.

Change Request Form: 174

Design Action Notification: DAN/ 0031

Increase to the Guaranteed Maximum Price: HK\$ 10,000/ USD 1,283

45. Shifted door position

Location: First Floor, Security Workshop

The door to the workshop is moved to allow entry from the adjacent Security Office only and not from adjacent corridor as previously planned.

Change Request Form: 175

Design Action Notification: DAN/ 0032

Increase to the Guaranteed Maximum Price: HK\$ 3,000/ USD 385

46. Suite S – 1 bar modifications.

Location: Hotel Tower

Bars within the S1 Suites are extended by approximately 380 mm for inside suites and 590 mm for the outside suites.

Change Request Form: 176

Design Action Notification: DAN/ 0033

Increase to the Guaranteed Maximum Price: HK\$ 150,000/ USD 19,231

47. Surveillance Room reception area layout

Location: First Floor, Surveillance Room

The layout of the room is revised to allow one additional workstation.

Change Request Form: 177

Design Action Notification: DAN/ 0034

Increase to the Guaranteed Maximum Price: HK\$ 41,500/ USD 5,321

48. Glass shelf at the vanities

Location: Hotel Rooms

At all hotel rooms above the 9th Floor the glass shelf above the vanity counters is to be raised as per revised Interior Design requirements.

Change Request Form: 178

Design Action Notification: DAN/ 0035

Increase to the Guaranteed Maximum Price: Nil

49. Add service cashier in kitchen

Location: Ground Level, Lobby Lounge

A cashier service station is added in the kitchen.

Change Request Form: 179

Design Action Notification: DAN/ 0036

Increase to the Guaranteed Maximum Price: HK\$ 75,075/ USD 9,625

50. Door addition and upgrade to Front of House finishes.

Location: Japanese Restaurant Kitchen

The interior finishes adjacent to the kitchen entrance are upgraded to front of house standard where visible to the public and an additional door added.

Change Request Form: 180

Design Action Notification: DAN/ 0037

Increase to the Guaranteed Maximum Price: HK\$ 100,000/ USD 12,821

51. Upgrade Dealers' Entry finishes

Location: Main Casino Area

The doors at the dealers' entry to the Casino along GL 15 are removed. The interior décor to service corridor at this location becomes visible to the public and is upgraded to a front of house standard.

Change Request Form: 182

Design Action Notification: DAN/ 0041

Increase to the Guaranteed Maximum Price: HK\$ 400,000/ USD 51,282

52. Public Restroom entry

Location: Ground Floor, Lobby Lounge

The entrance to the Public Restrooms located between GL 9-10 and P-Q is relocated away from the main Promenade. A separate access corridor to the restrooms is created through the North West corner of the Lobby Lounge leading from the Promenade check-out area.

Change Request Form: 183

Design Action Notification: DAN/ 0042

Increase to the Guaranteed Maximum Price: Nil

53. Lobby Lounge revision

Location: Ground Floor, Lobby Lounge

The wall layout at the South East corner of the Lobby Lounge is revised as a result of the introduction of the external entry to the Japanese Restaurant on the pool side and which impacts on the layout of the private dining area adjacent to the Lobby Lounge.

Change Request Form: 184

Design Action Notification: DAN/ 0043

Increase to the Guaranteed Maximum Price: Nil

54. Re-aligning the glass façade to Retail Space # 12

Location: Retail Promenade

The glass façade to Retail Space 12 is re-aligned with the setting out of the flooring and ceiling revised accordingly.

Change Request Form: 185

Design Action Notification: DAN/ 0044

Increase to the Guaranteed Maximum Price: HK\$ 20,000/ USD 2,564

55. Eliminating honed stone within End Suite living rooms

Location: Hotel End Suites (S2s)

Stone flooring in the suite living rooms is changed to all polished stone in lieu of the honed/ polished stone mix for consistency of floor finish.

Change Request Form: 186

Design Action Notification: DAN/ 0045

Increase to the Guaranteed Maximum Price: HK\$ 30,000/ USD 3,846

56. Re-design Cage counters

Location: Cage Counters

Provision of additional cooling fans to the Cage counters counter to meet cooling requirements of IT Equipment.

Change Request Form: 187

Design Action Notification: DAN/ 0058

Increase to the Guaranteed Maximum Price: Nil

57. Reverse shower layout and add bench Executive Office bathroom

Location: Executive Office

The layout of the shower in Executive Office No.1 is revised and a bench added.

Change Request Form: 189

Design Action Notification: DAN/ 0049

Increase to the Guaranteed Maximum Price: Nil

58. Relocation of Hotel Garbage Chute

Location: First Floor Linen Sorting and Third Floor Hotel Garbage Chute

The Hotel garbage collection room is relocated from the First Floor to the area previously assigned as a store room on the Third Floor (adjacent to the Service Lift Lobby). The Laundry collection room at the First Floor is enlarged into the area previously assigned for garbage collection. As a result the installed garbage chute is to be modified to terminate at the Third Floor and room finishes are revised to meet standards required for a wet area.

Change Request Form: 191

Design Action Notification: DAN/ 0059

Increase to the Guaranteed Maximum Price: HK\$ 340,000/ USD 43,590

59. Increase 5no. of doors' width

Location: First Floor, Service Lift Lobby

The opening width of 5 nr doors within the service lift lobby is increased to allow easier access for housekeeping service cart.

Change Request Form: 192

Design Action Notification: DAN/ 0053

Increase to the Guaranteed Maximum Price: Nil

60. Upgrade Lift Lobby finishes

Location: Multi-storey Car Park

The lift and lift lobby interior finishes at the car park are upgraded from a "back of house" to a "front of house" standard and air conditioning is introduced to the lobbies.

Change Request Form: 194

Design Action Notification: DAN/ 0060

Increase to the Guaranteed Maximum Price: HK\$ 800,000/ USD 102,565

61. Revised layout of Staff Entrance

Location: Podium External Entry

The internal layout at the Staff Entry is revised to incorporate a separate entry to the recruitment office with access/ egress control by automatic turnstiles.

Change Request Form: 196

Design Action Notification: DAN/ 0068

Increase to the Guaranteed Maximum Price: Nil

62. Marquee Sign foundation

Location: North West Corner of Site

The reinforced concrete foundation for the Wynn Marquee sign is added to the Contractor's scope of work.

Change Request Form: 197

Design Action Notification: DAN/ 0061

Increase to the Guaranteed Maximum Price: HK\$ 8,000,000/ USD 1,025,641

63. Detailing and millwork in Back of House areas

Location: All Back of House Areas

Minor changes to millwork in the Back of House areas to match the final layout of system furniture and FF & E. Generally electrical and mechanical services locations are to remain unchanged and as installed on site unless required to accommodate specific equipment needs.

Change Request Form: 198

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1

Increase to the Guaranteed Maximum Price: Nil

64. Clarification of rigging, A/V and lighting

Location: Grand Ballroom

The steelwork gantry for support to stage rigging, audio/ visual and lighting equipment is to be supplied and installed by the Contractor and not by the Owner's specialist contractor as provided in the original scope.

Change Request Form: 199

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1

Increase to the Guaranteed Maximum Price: Nil

65. Delete side wall of the Slot Club booth

Location: Slot Machine Area

The side walls to the Casino slot booth are deleted to allow unrestricted views of the slot area.

Change Request Form: 201

Design Action Notification: DAN/ 0054

Increase to the Guaranteed Maximum Price: Nil

66. Re-layout of DICJ Room and Police Room

Location: DICJ & Police Room

The internal layout of the Security (Police) office and DICJ Regulators' office are revised and a power and data provision for LCD screens is included for two locations.

Change Request Form: 202

Design Action Notification: DAN/ 0055

Increase to the Guaranteed Maximum Price: HK\$30,765/ USD 3,944

67. Warehouse layout

Location: Warehouse Area

A separate Retail Storage room is provided within the Warehouse space. The Security Guard room is revised to function as the Inventory Control Office and a new workspace is added for warehouse staff within the Staging area incorporating fixed millwork work stations. The layout of the installed AFSS systems in the Warehouse is also to be modified based on the final racking layout received from WRM operations.

Change Request Form: 203

Design Action Notification: DAN/ 0062

Increase to the Guaranteed Maximum Price: HK\$ 185,000/ USD 23,718

68. Mail Room detailing

Location: Ground Floor, Mail Room

Minor changes to millwork detailing based on final FF&E requirements. The room will incorporate a shut-off switch that allows isolation of the HVAC system in the event of receiving potentially hazardous material.

Change Request Form: 204

Design Action Notification: DAN/ 0056

Increase to the Guaranteed Maximum Price: HK\$ 17,500/ USD 2,244

69. Revision to Retail Promenade

Location: Retail Promenade

Minor changes to the demising walls around retail spaces to meet specific requirements of tenants.

Change Request Form: 205

Design Action Notification: DAN/ 0069

Increase to the Guaranteed Maximum Price: Nil

70. Detailing of the Lobby Lounge bar

Location: Ground Floor, Lobby Lounge

The layout of the back of house area is revised to incorporate a new kitchen and cocktail bar. In order to accommodate the kitchen the original service bar area is reduced and relocated and the performers' room reduced in size. These layout revisions involve extensive alterations to services installations and drywall that are already installed. The temporary stage unit included in the revised plans is to be supplied by the Owner.

Change Request Form: 206

Design Action Notification: DAN/ 0063

Increase to the Guaranteed Maximum Price: HK\$ 1,200,000/ USD 153,847

71. Final construction revision in the Back of House area

Location: All Back of House area

Final detail changes are to be incorporated to the installed drywall and services rough-ins at the Ground Floor back of house areas as identified on the following marked up drawings:

WM20000-0018-0064-R7

WM20000-0002-048-R7

WM20000-0004-050-R9

WM20000-0005-051-R8

WM20000-0006-052-R8

WM20000-0013-059-R9

WM20000-0015-061-R6

WM20100-0101-077-R10

WM20100-0104-080-R8

WM20100-0114-090-R10

WM20100-0106-082-R10

WM20100-0117-093-R7

Change Request Form: 207

Design Action Notification: DAN/ 0064

Increase to the Guaranteed Maximum Price: HK\$ 800,000/ USD 102,565

72. Power and data provision for additional Timelox installation

Location: First Floor, Grand Ballroom and Meeting rooms

Provision of power and data points for additional 8nr Timelox units to be installed by the Contractor at the above locations. Timelox units are supplied by the Owner for installation by the Contractor.

Change Request Form: 208

Design Action Notification: DAN/ 0065

Increase to the Guaranteed Maximum Price: HK\$ 42,000/ USD 5,385

73. Construction revision and re-locate security equipment

Location: First Floor, Security and Surveillance Monitoring Rooms

The interior layout of the Security and Surveillance Monitoring Room is revised and equipment relocated as per direction of the Security Consultant on the 25th October 2005.

Change Request Form: 209

Design Action Notification: As set out in the various revised drawings listed in Appendix A to this Change Order No.1

Increase to the Guaranteed Maximum Price: Nil

74. Construction revision and detailing of the Lost & Found Room

Location: Lost and Found Room

Minor change to interior layout of the Lost and Found Room.

Change Request Form: 210

Design Action Notification: DAN/ 0066

Increase to the Guaranteed Maximum Price: Nil

75. Speaker Lamp Posts

Location: Main Entrance Water Feature

Lamp post columns are to be provided with Speakers and Sub-woofer for the music component of the Water Feature Display.

Increase to the Guaranteed Maximum Price: HK\$ 3,500,000/ USD 448,718

76. Marque Sign: Structural steel, cladding and Building Maintenance Unit

Location: Main Entrance

Design and construct primary steelwork and cladding system for the Wynn Marque sign, generally in accordance with proposals negotiated between Wynn Design Development and Genetron Engineering Co Ltd who are the selected Subcontractor for this package of work. The work to be undertaken is included in the Contractor's letter of award issued reference C2263/5.67/L-21963/MC/CMc/Fo/yi. Direct costs determined from provisional assessments which are to be adjusted to reflect the actual costs incurred by Genetron.

The scope of work further includes the provision of a Building Maintenance Unit, Contractor's Letter of Award to Genetron, reference C2263/5.67/L-22275/MC/Fo/yi.

The applicable drawings used in defining this change are:

Consultants (Young Electric Sign Company) Drawing List

<u>Drawing</u>	<u>Rev</u>	<u>Title</u>
A1.00	4	PYLON_SIGN DETAILS
A1.01	4	PYLON_SIGN DETAILS
A1.02	4	PYLON_SIGN DETAILS
A1.03	4	PYLON_SIGN DETAILS
S1.00	4	M.O.A. LED DETAILS
S1.01	4	M.O.A. LED DETAILS
S1.02	4	M.O.A. LED DETAILS

The scope of this change item excludes the provision of Electrical and Mechanical services, signage and any attendance on the Owner's LCD panel contractor.

Increase to the Guaranteed Maximum Price : HKD 42,500,000/ USD5,448,718

77. Engagement of Audio-Visual specialist contractor

Location: All areas

As directed by Wynn Design and Development in their letter to the Contractor reference 200.001594 dated 15th December 2005 the Contractor shall engage PCCW (Macau) Ltd as a direct contractor to undertake Audio Visual installation works as described therein.

Increase to the Guaranteed Maximum Price: HKD 14,362,472/ USD 1,841,343

78. Supply and fix signage

Location: All Areas

As directed by Wynn Design and Development the Contractor shall engage King Wah Engineering (Macau) Company) Ltd as a direct contractor to undertake the supply and installation of signage as described in tender documents issued by Wynn Design and Development to King Wah Engineering dated 28th October 2005.

Increase to the Guaranteed Maximum Price: HKD 1,838,181/ USD 235,664

79. Acceleration Cost Compensation

Location: Chinese Restaurant G/F Grids A-H/1-4

The original design intent and interior finishes were based upon the Wynn Las Vegas Chinese Restaurant. Subsequently, the Owner gave direction that the Wynn Las Vegas design was not to be implemented and requested that an entirely fresh design approach be adopted for this restaurant.

The revised design documentation was issued in September 2005 and the Contractor can now progress shop drawings, materials procurement and construction. These works are behind schedule and will jeopardize the Contractor's ability and opportunity to achieve the Original Project Early Completion.

Therefore, the Owner directs the allocation of additional monies to compensate for overtime works so as to enable the Contractor to recover the Chinese Restaurant schedule and to further provide the Contractor the opportunity to achieve the Original Project Early Completion.

Location: Spa and Health Club, First Floor Grids P- V/ 6 -14

The original design intent and interior finishes were intended to reflect the Wynn Las Vegas Image. The initial Interior Designers were unable to satisfy the design brief and a new design to produce space and circulation plans was implemented in November 2004. The new design has progressed through several revisions and revised design documentation will be issued progressively during October 2005. The Contractor can now progress shop drawings, materials procurement and construction. These works are behind schedule and will jeopardize the Contractor's ability and opportunity to achieve the Original Project Early Completion.

Therefore, the Owner directs the allocation of additional monies to compensate for overtime works so as to enable the Contractor to recover the Chinese Restaurant schedule and to further provide the Contractor the opportunity to achieve the Original Project Early Completion.

Location: Lobby Lounge: Ground Floor, N – R/ 9 -12

The original design intent and interior finishes were intended to reflect the Wynn Las Vegas lobby lounge finishes. The initial design did not reflect the desired public and back of house circulation requirements. Furthermore, the perimeter walls were reconfigured to accommodate a rear entry to the public bathrooms along the ground floor promenade.

The circulation spaces, seating plan and cross over nodes were re-configured. CRF 206 (dated 7 November) introduced changes to the green room, beverage bar and stage areas.

The above re-design requires demolition of existing walls, building of new walls and relocation of M&E services.

Therefore, the Owner directs the allocation of additional monies to compensate for overtime works so as to enable the Contractor to recover the Chinese Restaurant schedule and to further provide the Contractor the opportunity to achieve the Original Project Early Completion.

Location: Casino Lounge, Ground Floor Grids B.5 – D.5/ 4 – 5.3

The original design intent and interior finishes were intended to reflect the Wynn Las Vegas casino lounge.

Subsequently, the design of the adjoining Chinese Restaurant was removed from Cleo's scope and issued to HBA. The restaurant was given an exclusive entry from the exterior façade which affected circulation to the adjacent spaces including the casino lounge. It was during this period that the design of the casino lounge was further developed requiring concept approval from WDD to include a stand up bar and incorporation of a permanent stage. This final design was issued on 26 October 2005. The above change option was issued under CRF 117.

Therefore, the Owner directs the allocation of additional monies to compensate for overtime works so as to enable the Contractor to recover the Chinese Restaurant schedule and to further provide the Contractor the opportunity to achieve the Original Project Early Completion.

Increase to the Guaranteed Maximum Price: HK\$ 4,000,000/ USD 512,821

80. Increase to the Original Project Guaranteed Maximum Price

Original Project Guaranteed Maximum Price	US\$ 300,464,658
Total of previous Change Orders	US\$ 0
Previous Original Project Guaranteed Maximum Price (Subtotal)	US\$ 300,464,658
Total of this Change Order (items 1 through 79 inclusive)	US\$ 11,179,571
Less – Transfer from Original Project Owner Contingency	US\$ (0)
Revised Original Project Guaranteed Maximum Price thru Change Order No. 1	US\$ 311,644,229

The Original Project Guaranteed Maximum Price set forth in Section 3.1(a) of the Contract is, pursuant to the terms of this Change Order, hereby increased from US\$ 300,464,658 to US\$ 311,644,229 based on the Changes described in paragraphs 1 through 79 above. The detailed breakdown of the foregoing increase is contained in the revised Original Project Guaranteed Maximum Price Breakdown labeled as Revised Exhibit F dated 10 March 2006, and attached to this Change Order. Accordingly, the Original Project Guaranteed Maximum Price Breakdown attached as Exhibit F to the Contract is hereby deleted in its entirety and replaced with the Revised Original Project Guaranteed Maximum Price Breakdown attached hereto. From and after the date of this Change Order, all references in the Contract Documents to the “Original Project Guaranteed Maximum Price Breakdown” attached as Exhibit F to the Contract, shall mean and refer to the Revised Original Project Guaranteed Maximum Price Breakdown attached hereto as Revised Exhibit F. From and after the date of this Change Order, any and all references in the Contract Documents to the “Original Project Guaranteed Maximum Price” shall mean the amount of US\$ 311,644,229.

81. Project Schedule

The Original Project Schedule, included as Attachment 2 of Exhibit B to the Contract, shall remain unchanged. The Contract Time of 791 calendar days from Date of Commencement, and the Guaranteed Date of Original Project Substantial Completion, as defined in Section 4.1 of the Contract, remains unchanged by this Change Order.

82. Miscellaneous

- (a) In the event of any inconsistency between the terms of the Contract and the terms of this Change Order, the terms of this Change Order will prevail.
- (b) The obligations of Contractor hereunder are joint and several.
- (c) Except as otherwise expressly modified hereby, the Contract will remain in full force and effect, and all of the terms and provisions of the Contract, as herein modified, are hereby ratified and reaffirmed.
- (d) The parties acknowledge and agree that this Change Order will constitute both an amendment to the Contract and a "Change Order" as defined under the Contract.
- (e) This Change Order may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts will constitute one and the same instrument.
- (f) All initial capitalized terms used in this Change Order shall have the meaning ascribed to them in the Contract, unless otherwise defined herein.
- (g) This Change Order is effective as of 10 March 2006.
- (h) This Change Order shall be governed by, and construed in accordance with, the laws of England.
- (i) This Change Order is subject to the approval and consent of the Lender's.

[signature page follows]

IN WITNESS whereof this Change Order has been duly executed and delivered as a deed the day and year first above written.

EXECUTED as a Deed on behalf of WYNN)
RESORTS (MACAU) S.A., a company)
incorporated in the Macau Special Administrative)
Region, by Grant Bowie, being a person who, in)
accordance with the laws of that territory, is acting)
under the authority of the company in the presence of:)
)
)

/s/ W. T. Nisbet
Signature and name of witness

SIGNED, SEALED and)
DELIVERED by Joe Dujmovic as)
attorney for LEIGHTON)
CONTRACTORS (ASIA) LIMITED)
under power of attorney dated)
August 18, 2005 in the presence of:)

/s/ Monita Wong Yeuk Lan
Signature and name of witness

By executing this deed the
attorney states that the attorney
has received no notice of
revocation of the power of attorney

THE COMMON SEAL of CHINA)
STATE CONSTRUCTION)
ENGINEERING (HONG KONG))
LIMITED was affixed to this Deed)
in the presence of:)

/s/ CNYIP
Signature and name of witness

Signature of authorized person

/s/ O.P. Kong
Signature of authorized person

Office held

Chairman
Office held

Name of authorized person (block letters)

O.P. Kong
Name of authorized person (block letters)

EXECUTED by Xu Jian Ping)
in his capacity as auxiliar of, and with)
authority to bind, CHINA)
CONSTRUCTION ENGINEERING)
(MACAU) COMPANY LIMITED a)
limited company incorporated in the)
Macau Special Administrative Region,)
pursuant to a resolution by the General)
Shareholders Meeting dated)
_____ in the presence of:)

Chen Guo _____
Signature and name of witness

By executing this deed the
signatory warrants that the
signatory is duly authorized to
execute this deed on behalf of
CHINA CONSTRUCTION
ENGINEERING (MACAU)
COMPANY LIMITED

**AMENDED AND RESTATED
DESIGN-BUILD AGREEMENT FOR GUARANTEED MAXIMUM PRICE ARCHITECTURAL,
ENGINEERING AND CONSTRUCTION SERVICES
DATED SEPTEMBER 14, 2005
CHANGE ORDER AND AMENDMENT
25 MAY 2006**

Project: Wynn Resorts Macau

Change Order No.: 2

“Contractor”: jointly and severally

“Owner”:

LEIGHTON CONTRACTORS (ASIA) LIMITED
39th Floor, Sun Hung Kai Centre
30 Harbour Road
North Wanchai
Hong Kong

WYNN RESORTS (MACAU) S.A.
335-341, Alameda Dr. Carlos d’Asumpcao
9th Floor, Hotline Centre
Macau

CHINA STATE CONSTRUCTION
ENGINEERING (HONG KONG) LIMITED
29th Floor, China Overseas Building
139 Hennessy Road
Hong Kong

CHINA CONSTRUCTION ENGINEERING
(MACAU) COMPANY LIMITED
Rua do Campo No. 78
Edificio Commercial Zhang Kian, 18 andar
Macau

Pursuant to Article XVIII of that certain Amended and Restated Design-Build Agreement for Guaranteed Maximum Price Architectural, Engineering and Construction Services between Owner and Contractor for the design and construction of a luxury resort/hotel/casino complex in Macau known as Wynn Resorts Macau, executed and delivered as a deed on September 14, 2005 (the “Contract”), and the desire of the Owner and Contractor to amend and supplement certain terms and provisions of the Contract, the Contract is hereby modified by this agreement and all related drawings, plans and specifications attached hereto (collectively, the “Change Order”), made as a deed effective as of the date set forth above.

1. Scope of Work. The Scope of Work is changed as follows;

Masterplan Drawings for the following modifications and additions (collectively, the “Masterplan Modifications”);

WM/ASK/0325/18	Basement Floor Plan	17-Feb-2006
WM/ASK/0326/26	Ground Floor Plan	17-Feb-2006
WM/ASK/0327/26	First Floor Plan	17-Feb-2006
WM/ASK/0328/20	Second Floor Plan	17-Feb-2006
WM/ASK/0329/17	Third Floor Plan	17-Feb-2006

A. Original Project Changes

A.1 As depicted and on, and in accordance with, the above referenced drawings, plans and specifications, the additional gaming areas to be added in the Expansion require that provisions for staff, security, IT and ancillary back of house facilities, currently located within the Original Project area, will be expanded to support increased gaming operations in the Expansion. The following functional changes are required:

- a. The areas of Finance and Accounting offices at the First Floor between gridlines 23-26/ N-V are deleted from the scope of the Original Project and replaced with areas comprising high level slot gaming, staff lounge, staff kitchen and dealers’ lounge and public toilets for the First Floor casino. The fit-out of these areas is defined as part of the Expansion Project under this Change Order.
- b. The Security, Surveillance and IT area layout will be revised and expanded into the area previously assigned as Reservation and Call Centre.
- c. The Reservation and Call Centre will be relocated to the area between gridlines 24 – 25/ C – D to the area previously assigned as a computer room, which is deleted.
- d. The area previously assigned as Carpentry Workshop is revised to Card Room. The Carpentry Workshop will be relocated to a new location within the Loading and Unloading area with a corresponding reduction in the Loading and Unloading area.
- e. The area previously assigned as Card Room is revised to Non-Gaming Count Room.
- f. The layout of the Hard/ Soft Count Room is revised and becomes the Gaming Count Room.
- g. A mezzanine floor is added above the Warehouse between gridlines 22 – 25/ G – L. The additional floor area will accommodate the relocated Uniform Store and ancillary offices. Direct access to the Laundry is also provided.
- h. The area previously assigned as Uniform Store is revised to Male Changing Room and Staff Locker Area.
- i. The layout of the Staff Changing areas is revised with the Female Changing Room expanded to occupy the area previously assigned as Male Changing Room. Supply and Installation of Staff clothing and valuables lockers (electronic lock supply specifically included) will be provided as part of this scope.

j.	Additional floor area is created at high level within the chiller plant room to accommodate additional power generators.	
	Increase to the Guaranteed Maximum Price:	HKD22,800,742 / USD2,923,173
A.2	As depicted and on, and in accordance with, the above referenced drawings, plans and specifications, the flooring layout of Casino No.1 is revised at pavilions 1,2,14,15 & 16 in order to accommodate 7 additional gaming tables. The change requires replacement of already procured carpets additional conduits and alterations to ceilings to suit modified lighting and security camera positions.	
	Increase to the Guaranteed Maximum Price:	HKD803,513 / USD103,014
A.3	The provision of Awnings to the Original Project Podium façade is revised (as depicted and on, and in accordance with, the above referenced and relevant detailed drawings, plans and specifications) to include enhanced brass detailing and feature lighting. Internal illumination is eliminated.	
	Increase to the Guaranteed Maximum Price:	HKD13,478,324 / USD1,727,990
A.4	Logo signage (Western and Chinese characters) and Building Services (Mechanical, Electrical, Plumbing, Fire and ELV services) installation shall be provided (as depicted and on, and in accordance with, the above referenced and relevant detailed drawings, plans and specifications) to the Marquee Sign.	
	Increase to the Guaranteed Maximum Price:	HKD15,810,375 / USD2,026,971
A.5	Electronic Access Control system shall be expanded to incorporate additional locations identified on Malia Drawings CR.0G/1; CR0G.A/1; CR0G.B/1; CR0G.C/1; CR0G.D/1; CR01/2; CR01.A/1; CR01.B/2; CR01.C/1; CR01.D/2; CR03/0; CR03.B/1; CRCP.MF/0; CR.DET/1; dated 24-Feb-06.	
	Increase to the Guaranteed Maximum Price:	HKD1,500,000 / USD192,308
A.6	Time & Attendance system will be expanded to incorporate additional locations identified on Malia Drawings CR01/2; CR01.D/2; dated 24-Feb-06.	
	Increase to the Guaranteed Maximum Price:	HKD151,200 / USD19,385
A.7	Front of House Signage	
	Contractor will engage King Wah Engineering (Macau) Company Ltd as a direct contractor to undertake the supply and installation of signage as described in the subcontract documents issued by Wynn Design and Development to King Wah.	
	Increase to the Guaranteed Maximum Price:	HKD1,741,446 / USD223,262
	Total Part A:	HKD56,285,600 / USD7,216,103

B. Expansion Area Changes

- B.1 As depicted and on, and in accordance with, the above referenced drawings, plans and specifications, the First Floor area of the Expansion becomes a Casino with a total floor area of approximately 4,000 m². The following functional changes are required:
- a. The areas previously identified as Meeting/ Convention, offices and public circulation at the first floor are deleted and replaced with gaming areas. The Casino will incorporate table gaming, slot gaming, two cash cages, a noodles restaurant and public restrooms.
 - b. Air conditioning, smoke extract, power and data provisions on the First Floor are upgraded to meet the requirements for public gaming areas. There will be a corresponding increase in plant capacity required including air handling units, transformers and switchgear. Additional space to accommodate these provisions will be added above the Theatre and Casino at the Second Floor with a corresponding increase in the building functional area.
 - c. The pneumatic cash transfer system serving the ground floor casino will be extended to include the additional cash cages at the first floor.
 - d. Two single flight escalators (E3 and E4), and two elevators (L15 and L16) will be added to provide public transportation from the ground floor to the first floor, as well as an additional service elevator (S20). A further 2nr pile caps and 6nr piles are added for structural support to the new escalators.
 - e. Staircases will be added at gridline 25/2C to allow emergency exiting from the First Floor Casino.
 - f. Provision for direct connection of a public footbridge adjacent the main entrance will be included within the structure and façade. A public lobby area will be created at the First Floor at the entry point of the proposed footbridge and also serving elevator L16.
 - g. The functional area assigned as “Fine Dining” at the Ground Floor will be changed to Owned Retail. The area is to be assigned with a drop slab arrangement to enable future conversion to a restaurant/ kitchen area if required.
 - h. Inset window displays will be added along the East elevation at Ground Floor level between gridline U and P.
 - i. Inset window displays will be added at the frontage of retails units 14, 15, and 19. The adjacent structural columns will be repositioned through use of strap beams to allow the window displays to be aligned centrally between the columns.
 - j. The former plantroom area within the Theatre at the First Floor level (gridlines 26-27/S-Q) will become a Data Centre and public toilets serving the Casino.
 - k. An area comprising back of house offices, data centre and plantrooms will be added at the Third Floor level, together with associated access and escape routes with a corresponding increase in the building functional area.

Increase to the Guaranteed Maximum Price:

HKD137,109,145 / USD17,578,096

B.2 The provision of Awnings to the Expansion Project Podium façade is revised (as depicted and on, and in accordance with, the above referenced and relevant detailed drawings, plans and specifications) to include enhanced brass detailing and feature lighting. Internal illumination is eliminated.

Increase to the Guaranteed Maximum Price: HKD1,101,968 / USD141,278

Total Part B: HKD138,211,113 / USD17,719,374

2. Increase to the Original Project and Expansion Project Guaranteed Maximum Price

Original Project

Original Project Guaranteed Maximum Price	US\$300,464,658
Total of previous Change Orders	US\$ 11,179,571
Previous Original Project Guaranteed Maximum Price (Subtotal)	US\$311,644,229
Total of this Change Order	US\$ 7,216,103
Less – Transfer from Original Project Owner Contingency	US\$ (3,012,821)
Revised Original Project Guaranteed Maximum Price thru Change Order No. 2	US\$315,847,511

The Original Project Guaranteed Maximum Price set forth in Section 3.1(a) of the Contract is, pursuant to the terms of this Change Order, hereby increased from US\$ 311,644,229 to US\$ 315,847,511 based on the Changes described above. The detailed breakdown of the foregoing increase is contained in the revised Original Project Guaranteed Maximum Price Breakdown labeled as Revised Exhibit F, dated 25 May 2006 and attached to this Change Order. Accordingly, the Original Project Guaranteed Maximum Price Breakdown attached as Exhibit F to the Contract is hereby deleted in its entirety and replaced with the Revised Original Project Guaranteed Maximum Price Breakdown attached hereto. From and after the date of this Change Order, all references in the Contract Documents to the “Original Project Guaranteed Maximum Price Breakdown” attached as Exhibit F to the Contract, shall mean and refer to the Revised Original Project Guaranteed Maximum Price Breakdown attached hereto as Revised Exhibit F. From and after the date of this Change Order, any and all references in the Contract Documents to the “Original Project Guaranteed Maximum Price” shall mean the amount of US\$ 315,847,511.

Expansion Project

Expansion Project Guaranteed Maximum Price	US\$156,759,326
Total of previous Change Orders	US\$ 0
Previous Expansion Project Guaranteed Maximum Price (Subtotal)	US\$156,759,326
Total of this Change Order	US\$ 17,719,374
Less – Transfer from Original Project Owner Contingency	US\$ (0)
Revised Expansion Project Guaranteed Maximum Price thru Change Order No. 2	US\$174,478,700

The Expansion Project Guaranteed Maximum Price set forth in Section 3.1(b) of the Contract is, pursuant to the terms of this Change Order, hereby increased from US\$ 156,759,326 to US\$ 174,478,700 based on the Changes described above. The detailed breakdown of the foregoing increase is contained in the revised Expansion Project Guaranteed Maximum Price Breakdown labeled as Revised Exhibit F, dated 25 May 2006 and attached to this Change Order. Accordingly, the Expansion Project Guaranteed Maximum Price Breakdown attached as Exhibit F to the Contract is hereby deleted in its entirety and replaced with the Revised Expansion Project Guaranteed Maximum Price Breakdown attached hereto. From and after the date of this Change Order, all references in the Contract Documents to the “Expansion Project Guaranteed Maximum Price Breakdown” attached as Exhibit F to the Contract, shall mean and refer to the Revised Expansion Project Guaranteed Maximum Price Breakdown attached hereto as Revised Exhibit F. From and after the date of this Change Order, any and all references in the Contract Documents to the “Expansion Project Guaranteed Maximum Price” shall mean the amount of US\$ 174,478,700.

3. Project Schedule

The Contract Time of 791 calendar days from Original Project Date of Commencement and the Guaranteed Date of Original Project Substantial Completion, as defined in Section 4.1.7 of the Contract, each remain unchanged by this Change Order.

The Contract Time of 726 calendar days from Expansion Project Date of Commencement and the Guaranteed Date of Expansion Project Substantial Completion, as defined in Section 4.1.9 of the Contract each remain unchanged by this Change Order.

The Original Project Schedule, included as Attachment 2 of Exhibit B to the Contract, is hereby deleted in its entirety and replaced with the amended Attachment 2 of Exhibit B attached to this Change Order.

Owner and Contractor have agreed specific handover dates for the following areas;

Sky Room	27 July 2006
Chinese Restaurant	31 July 2006
VIP Casino	13 August 2006

These areas and dates shall be independent of any assessment of Substantial Completion of the balance of the Project. In the event that the Contractor is able to deliver the entire Project with the exception of one or more of these areas, prior to the Guaranteed Date for Substantial Completion, subject to the assessment provisions of the Contract, then the Contractor shall be assessed as having achieved Substantial Completion at that date, noting the exception of the specific area(s) listed above. In any event the modified handover areas shall be delivered no later than the Guaranteed Date for Substantial Completion, and shall not be exempted from the Liquidated Damages provisions of this date.

The Expansion Project Schedule, included as Attachment 5 of Exhibit B to the Contract, is hereby deleted in its entirety and replaced with the amended Attachment 5 of Exhibit B attached to this Change Order.

4. Miscellaneous

- (a) In the event of any inconsistency between the terms of the Contract and the terms of this Change Order, the terms of this Change Order will prevail.
- (b) The obligations of Contractor hereunder are joint and several.
- (c) Except as otherwise expressly modified hereby, the Contract will remain in full force and effect, and all of the terms and provisions of the Contract, as herein modified, are hereby ratified and reaffirmed.
- (d) The parties acknowledge and agree that this Change Order will constitute both an amendment to the Contract and a "Change Order" as defined under the Contract.
- (e) This Change Order may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, will be deemed an original, but all such counterparts shall constitute one and the same instrument.
- (f) All initial capitalized terms used in this Change Order shall have the meaning ascribed to them in the Contract, unless otherwise defined herein.
- (g) This Change Order is effective as of 25 May 2006.
- (h) This Change Order shall be governed by, and construed in accordance with, the laws of England.
- (i) This Change Order is subject to the approval and consent of the Lender's.

[signature page follows]

IN WITNESS whereof this Change Order has been duly executed and delivered as a deed the day and year first above written.

EXECUTED as a Deed on behalf of WYNN)
RESORTS (MACAU) S.A., a company)
incorporated in the Macau Special Administrative)
Region, by Grant Bowie, being a person who, in)
accordance with the laws of that territory, is acting)
under the authority of the company in the presence of:)
)
)

/s/ W. T. Nisbet

Signature and name of witness

SIGNED, SEALED and DELIVERED by)
Joe Dujmovic as attorney for LEIGHTON)
CONTRACTORS (ASIA) LIMITED)
under power of attorney dated August 18,)
2005 in the presence of:)
)

/s/ Monita Wong Yuek Lan

Signature and name of witness

By executing this deed the
attorney states that the attorney
has received no notice of
revocation of the power of attorney

THE COMMON SEAL of CHINA)
STATE CONSTRUCTION)
ENGINEERING (HONG KONG))
LIMITED was affixed to this Deed)
in the presence of:)

/s/ CN YIP

Signature and name of witness

Signature of authorized person

/s/ O.P. Kong

Signature of authorized person

Office held

Chairman

Office held

Name of authorized person (block letters)

O.P. Kong

Name of authorized person (block letters)

EXECUTED by Xu Jian Ping in his)
capacity as auxiliar of, and with)
authority to bind, CHINA)
CONSTRUCTION ENGINEERING)
(MACAU) COMPANY LIMITED a)
limited company incorporated in the)
Macau Special Administrative Region,)
pursuant to a resolution by the General)
Shareholders Meeting dated)
_____ in the presence of:

/s/ Chen Guo _____
Signature and name of witness

By executing this deed the signatory
warrants that the signatory is duly
authorized to execute this deed on behalf of
CHINA CONSTRUCTION
ENGINEERING (MACAU)
COMPANY LIMITED

AMENDED AND RESTATED
DESIGN-BUILD AGREEMENT FOR GUARANTEED MAXIMUM PRICE ARCHITECTURAL,
ENGINEERING AND CONSTRUCTION SERVICES
DATED SEPTEMBER 14, 2005

CHANGE ORDER AND AMENDMENT

25 MAY 2006

Project: Wynn Resorts Macau

Change Order No.: 3

“Contractor”: jointly and severally

“Owner”:

LEIGHTON CONTRACTORS (ASIA) LIMITED
39th Floor, Sun Hung Kai Centre
30 Harbour Road
North Wanchai
Hong Kong

WYNN RESORTS (MACAU) S.A.
335-341, Alameda Dr. Carlos d’Asumpcao
9th Floor, Hotline Centre
Macau

CHINA STATE CONSTRUCTION
ENGINEERING (HONG KONG) LIMITED
29th Floor, China Overseas Building
139 Hennessy Road
Hong Kong

CHINA CONSTRUCTION ENGINEERING
(MACAU) COMPANY LIMITED
Rua do Campo No. 78
Edificio Commercial Zhang Kian, 18 andar
Macau

Pursuant to Article XVIII of that certain Amended and Restated Design-Build Agreement for Guaranteed Maximum Price Architectural, Engineering and Construction Services between Owner and Contractor for the design and construction of a luxury resort/hotel/casino complex in Macau known as Wynn Resorts Macau, executed and delivered as a deed on September 14, 2005 (the “Contract”), and the desire of the Owner and Contractor to amend and supplement certain terms and provisions of the Contract, the Contract is hereby modified by this agreement and all related drawings, plans and specifications attached hereto (collectively, the “Change Order”), made as a deed effective as of the date set forth above.

1. Scope of Work. The Scope of Work is changed as follows;

Masterplan Drawings for the following modifications and additions/deletions (collectively the “Masterplan Modifications”):

WM/ASK/0325/22	Basement Floor Plan
WM/ASK/0326/31	Ground Floor Plan
WM/ASK/0327/31	First Floor Plan
WM/ASK/0328/24	Second Floor Plan
WM/ASK/0329/22	Third Floor Plan

Expansion Area Modifications

Plan No. SK NO.8.2.1.0237/06 dated 17 May 06 defines Area 7 for the purposes of this Change Order.

The interior fit-out works and building services installations, as further defined below, are deleted from the scope of works. Area 7 on the referenced plan is to be treated as a “shell” space with no floor, wall or ceiling finishes installed. Building Services central plant installation and primary distribution and trunking shall be provided, as well as all life safety systems installation as required to achieve code compliance.

The following describes the extent of works to be installed by the Contractor:

a. Architecture:

All external architectural elements and finishes as documented on the above referenced Masterplans are to be constructed.

Temporary Walls shall be provided to separate operational and unfitted areas. These walls shall provide sound and dust separation, and shall be finished to a FOH standard on one side.

b. Interior Design:

No Interior Design shall be provided for Area 7. Interior Design documents shall be issued for all of the temporary wall locations, and the Contractor shall be responsible for installation of these temporary walls and finishes.

The Contractor shall provide any walls, doors, or other fixtures required to achieve fire and smoke separation/compartimentation in Area 7.

c. Structure:

All structural works as documented on the above referenced Masterplans are to be constructed.

d. Mechanical Services:

All Central Plant as documented on the above referenced Masterplans are to be installed.

Mechanical services (HVAC) primary distribution ductwork and equipment shall be installed. Flexible branch ducts and grilles are deleted.

e. Electrical Services:

All Central Plant as documented on the above referenced Masterplans are to be installed.

Electrical services primary distribution shall be installed up to and including meter room locations. Emergency lighting and life safety system and signage shall also be provided. Final circuits and trunking is deleted.

A comprehensive sub-floor trunking system (Walker Duct) shall be provided for the entire area for laying of power and data cabling. This shall include topping screed.

f. Fire Services:

Fire Services shall be installed through out in compliance with code and with adequate capacity to meet future requirements. Upper layer sprinklers and provision for extending lower layer sprinklers are to be provided throughout.

g. Plumbing and Drainage Services:

Plumbing and Drainage installation shall be provided including cold & hot water system, soil & waste disposal, storm water, and LPG distribution. Primary distribution to local areas shown on the above referenced Masterplans (toilet, kitchen, service bar, etc. locations) are to be installed.

h. Elevators and Escalators:

Elevators and Escalators are to be installed and commissioned as documented on the referenced Masterplans.

i. Building Maintenance Services:

Building Management System shall be installed and integrated with existing system. The system shall be sized to accommodate reasonable no. of points in fully fitted out space.

j. Extra Low Voltage Systems:

Extra Low Voltage systems shall be installed including comprehensive IT, BGM/PA and security cabling up to the TR rooms. Wireless data infrastructure shall be provided throughout. Distributed final cabling from TR rooms to final points are deleted.

k. Builder's Work in connection with Services:

Maintenance and access catwalks are to be installed.

All Building Services shall be zoned appropriately to allow uninterrupted operation of the remainder of the property whilst future fit-out occurs.

Decrease to the Guaranteed Maximum Price:

HKD54,025,109 / USD6,926,296

2. Change to the Expansion Project Guaranteed Maximum Price

Expansion Project

Expansion Project Guaranteed Maximum Price	US\$156,759,326
Total of previous Change Orders	US\$ 17,719,374
Previous Expansion Project Guaranteed Maximum Price (Subtotal)	US\$174,478,700
Total of this Change Order	US\$ (6,926,296)
Less – Transfer from Original Project Owner Contingency	US\$ (0)
Revised Expansion Project Guaranteed Maximum Price thru Change Order No. 3	US\$167,552,404

The Expansion Project Guaranteed Maximum Price set forth in Section 3.1(b) of the Contract is, pursuant to the terms of this Change Order, hereby decreased from US\$ 174,478,700 to US\$ 167,552,404 based on the Changes described above. The detailed breakdown of the foregoing increase is contained in the revised Expansion Project Guaranteed Maximum Price Breakdown labeled as Revised Exhibit E, dated 25 May 2006 and attached to this Change Order. Accordingly, the Expansion Project Guaranteed Maximum Price Breakdown attached as Exhibit F to the Contract is hereby deleted in its entirety and replaced with the Revised Expansion Project Guaranteed Maximum Price Breakdown attached hereto. From and after the date of this Change Order, all references in the Contract Documents to the “Expansion Project Guaranteed Maximum Price Breakdown” attached as Exhibit F to the Contract, shall mean and refer to the Revised Expansion Project Guaranteed Maximum Price Breakdown attached hereto as Revised Exhibit F. From and after the date of this Change Order, any and all references in the Contract Documents to the “Expansion Project Guaranteed Maximum Price” shall mean the amount of US\$ 167,552,404.

3. Project Schedule

The Contract Time of 726 calendar days from Expansion Project Date of Commencement and the Guaranteed Date of Expansion Project Substantial Completion, as defined in Section 4.1.9 of the Contract each remain unchanged by this Change Order.

The Expansion Project Schedule, included as Attachment 5 of Exhibit B to the Contract, is hereby deleted in its entirety and replaced with the amended Attachment 5 of Exhibit B attached to this Change Order.

4. Miscellaneous

- (a) In the event of any inconsistency between the terms of the Contract and the terms of this Change Order, the terms of this Change Order will prevail.
- (b) The obligations of Contractor hereunder are joint and several.
- (c) Except as otherwise expressly modified hereby, the Contract will remain in full force and effect, and all of the terms and provisions of the Contract, as herein modified, are hereby ratified and reaffirmed.

- (d) The parties acknowledge and agree that this Change Order will constitute both an amendment to the Contract and a “Change Order” as defined under the Contract.
- (e) This Change Order may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, will be deemed an original, but all such counterparts shall constitute one and the same instrument.
- (f) All initial capitalized terms used in this Change Order shall have the meaning ascribed to them in the Contract, unless otherwise defined herein.
- (g) This Change Order is effective as of 25 May 2006.
- (h) This Change Order shall be governed by, and construed in accordance with, the laws of England.
- (i) This Change Order is subject to the approval and consent of the Lender’s.

[signature page follows]

IN WITNESS whereof this Change Order has been duly executed and delivered as a deed the day and year first above written.

EXECUTED as a Deed on behalf of)
WYNN RESORTS (MACAU) S.A., a)
company incorporated in the Macau)
Special Administrative Region, by Grant)
Bowie, being a person who, in)
accordance with the laws of that territory,)
is acting under the authority of the)
company in the presence of:)

/s/ W.T. Nisbet
Signature and name of witness

SIGNED, SEALED and)
DELIVERED by Joe Dujmovic as)
attorney for LEIGHTON)
CONTRACTORS (ASIA) LIMITED)
under power of attorney dated)
August 18, 2005 in the presence of:)

/s/ Monita Wong Kwok
Signature and name of witness

THE COMMON SEAL of CHINA)
STATE CONSTRUCTION)
ENGINEERING (HONG KONG))
LIMITED was affixed to this Deed)
in the presence of:)

/s/ CN YIP
Signature and name of witness

Signature of authorized person

Office held

Name of authorized person (block letters)

By executing this deed the
attorney states that the attorney
has received no notice of
revocation of the power of attorney

/s/ O.P. Kong
Signature of authorized person

Chairman
Office held

O.P. Kong
Name of authorized person (block letters)

EXECUTED by Xu Jian Ping in his)
capacity as auxiliar of, and with)
authority to bind, CHINA)
CONSTRUCTION ENGINEERING)
(MACAU) COMPANY LIMITED a)
limited company incorporated in the)
Macau Special Administrative Region,)
pursuant to a resolution by the General)
Shareholders Meeting dated)
_____ in the presence of:

/s/ Chen Guo _____
Signature and name of witness

By executing this deed the signatory warrants that the signatory is duly authorized to execute this deed on behalf of CHINA CONSTRUCTION ENGINEERING (MACAU) COMPANY LIMITED

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

I, Stephen A. Wynn, certify that:

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

Date: August 7, 2006

/s/ STEPHEN A. WYNN

Stephen A. Wynn
Chairman of the Board
and Chief Executive Officer
(Principal Executive Officer)

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

I, John Strzemp, certify that:

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

Date: August 7, 2006

/s/ JOHN STRZEMP

John Strzemp
Executive Vice President
and Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report on Form 10-Q of Wynn Resorts, Limited (the "Company") for the quarter ended June 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Stephen A. Wynn, as Chief Executive Officer of the Company and John Strzemp, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

/s/ Stephen A. Wynn

Name: Stephen A. Wynn
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)
Date: August 7, 2006

/s/ John Strzemp

Name: John Strzemp
Title: Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)
Date: August 7, 2006

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