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

FORM 10-Q

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

For the quarterly period ended March 31, 2013

OR

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

For the transition period from _____ to _____

Commission File No. 333-100768

WYNN LAS VEGAS, LLC

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-0494875
(I.R.S. Employer
Identification No.)

3131 Las Vegas Boulevard South - Las Vegas, Nevada 89109

(Address of principal executive offices) (Zip Code)

(702) 770-7555

(Registrant's telephone number, including area code)

N/A

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

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

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

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☐

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.

Wynn Resorts Holdings, LLC owns all of the membership interests of the Registrant as of May 10, 2013.

The Registrant meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

[Table of Contents](#)

WYNN LAS VEGAS, LLC AND SUBSIDIARIES INDEX

Part I. Financial Information

Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets (unaudited) – March 31, 2013 and December 31, 2012	3
	Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited) – Three months ended March 31, 2013 and 2012	4
	Condensed Consolidated Statements of Cash Flows (unaudited) – Three months ended March 31, 2013 and 2012	5
	Notes to Condensed Consolidated Financial Statements (unaudited)	6
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	21
Item 4.	Controls and Procedures	21

Part II. Other Information

Item 1A.	Risk Factors	21
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 5.	Other Information	22
Item 6.	Exhibits	23
	Signature	24

Part I – FINANCIAL INFORMATION
Item 1. Financial Statements

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

	March 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 170,455	\$ 148,415
Receivables, net	157,543	162,395
Inventories	44,112	42,229
Prepaid expenses and other	27,172	26,697
Total current assets	399,282	379,736
Property and equipment, net	3,165,978	3,215,605
Intangible assets, net	1,744	2,262
Deferred financing costs, net	39,711	40,871
Deposits and other assets	28,356	27,489
Investment in unconsolidated affiliates	3,523	3,918
Total assets	<u>\$ 3,638,594</u>	<u>\$ 3,669,881</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,050	\$ 1,050
Accounts payable	35,591	39,431
Accrued interest	43,744	64,048
Accrued compensation and benefits	51,272	45,580
Gaming taxes payable	15,285	14,023
Other accrued liabilities	23,554	21,813
Customer deposits	84,601	106,243
Due to affiliates, net	51,617	37,755
Total current liabilities	306,714	329,943
Long-term debt	3,125,442	3,125,424
Due to affiliates, net	152,140	146,345
Other	1,347	1,084
Total liabilities	3,585,643	3,602,796
Commitments and contingencies (Note 9)		
Member's equity:		
Contributed capital	1,194,362	1,192,135
Accumulated deficit	(1,141,411)	(1,125,050)
Total member's equity	52,951	67,085
Total liabilities and member's equity	<u>\$ 3,638,594</u>	<u>\$ 3,669,881</u>

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

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

	Three Months Ended March 31,	
	2013	2012
Operating revenues:		
Casino	\$ 176,251	\$ 157,693
Rooms	91,545	87,374
Food and beverage	115,449	108,946
Entertainment, retail and other	49,693	56,315
Gross revenues	432,938	410,328
Less: promotional allowances	(46,099)	(47,181)
Net revenues	386,839	363,147
Operating costs and expenses:		
Casino	83,768	78,930
Rooms	32,219	29,225
Food and beverage	69,874	65,325
Entertainment, retail and other	28,111	37,074
General and administrative	59,057	55,217
Provision for doubtful accounts	3,232	4,363
Management fees	5,795	5,451
Depreciation and amortization	61,610	63,418
Property charges and other	2,754	3,718
Total operating costs and expenses	346,420	342,721
Operating income	40,419	20,426
Other income (expense):		
Interest income and other	28	37
Interest expense	(56,757)	(52,147)
Increase in swap fair value	—	969
Loss on retirement of debt	—	(4,828)
Equity in income (loss) from unconsolidated affiliates	(51)	113
Other expense, net	(56,780)	(55,856)
Net loss	(16,361)	(35,430)
Other comprehensive income	—	—
Total comprehensive loss	<u>\$ (16,361)</u>	<u>\$ (35,430)</u>

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

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

	Three Months Ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net loss	\$ (16,361)	\$ (35,430)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	61,610	63,418
Stock-based compensation	2,227	1,371
Amortization and write-off of deferred financing costs, and other	2,175	4,047
Equity in income of unconsolidated affiliates, net of distributions	395	(112)
Loss on retirement of debt	—	4,828
Provision for doubtful accounts	3,232	4,363
Property charges and other	465	2,939
Increase in swap fair value	—	(969)
Increase (decrease) in cash from changes in:		
Receivables	1,620	1,417
Inventories and prepaid expenses and other	(2,358)	(907)
Accounts payable and accrued expenses	(40,075)	(20,698)
Due to affiliates, net	10,127	7,397
Net cash provided by operating activities	<u>23,057</u>	<u>31,664</u>
Cash flows from investing activities:		
Capital expenditures, net of construction payables and retention	(8,946)	(15,140)
Deposits and purchase of other assets	(2,175)	(1,033)
Due to affiliates, net	10,268	5,325
Proceeds from sale of assets	186	277
Net cash used in investing activities	<u>(667)</u>	<u>(10,571)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	900,000
Principal payments on long-term debt	(350)	(371,217)
Payments of deferred financing costs	—	(10,665)
Net cash (used in) provided by financing activities	<u>(350)</u>	<u>518,118</u>
Cash and cash equivalents:		
Increase in cash and cash equivalents	22,040	539,211
Balance, beginning of period	148,415	201,399
Balance, end of period	<u>\$170,455</u>	<u>\$ 740,610</u>

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

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

1. Organization and Basis of Presentation

Organization

Wynn Las Vegas, LLC was formed on April 17, 2001 as a Nevada limited liability company. Unless the context otherwise requires, all references herein to the “Company” refer to Wynn Las Vegas, LLC, a Nevada limited liability company and its consolidated subsidiaries. The sole member of the Company is Wynn Resorts Holdings, LLC (“Holdings”). The sole member of Holdings is Wynn Resorts, Limited (“Wynn Resorts”). The Company was organized primarily to construct and operate Wynn Las Vegas I Encore (“Wynn Las Vegas”), a fully integrated destination resort and casino on the “Strip” in Las Vegas, Nevada.

Wynn Las Vegas Capital Corp. (“Wynn Capital”) is a wholly owned subsidiary of the Company incorporated on June 3, 2002, solely for the purpose of obtaining financing for Wynn Las Vegas. Wynn Capital is authorized to issue 2,000 shares of common stock, par value \$0.01. At March 31, 2013, the Company owned the one share that was issued and outstanding. Wynn Capital has neither any significant net assets nor has had any operating activity. Its sole function is to serve as the co-issuer of the mortgage notes described below. Wynn Las Vegas, LLC and Wynn Capital together are hereinafter referred to as the “Issuers”.

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company’s investment in the 50%-owned joint venture operating the Ferrari and Maserati automobile dealership inside Wynn Las Vegas is accounted for under the equity method. All significant intercompany accounts and transactions have been eliminated.

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

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of “markers” to approved casino customers following investigations of creditworthiness. As of March 31, 2013 and December 31, 2012,

[Table of Contents](#)

approximately 79% and 78% respectively, of the Company's markers were due from customers residing in foreign countries, primarily in Asia. Business or economic conditions or other significant events in these countries could affect the collectibility of such receivables.

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

Inventories

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

Revenue Recognition and Promotional Allowances

The Company recognizes revenues at the time persuasive evidence of an arrangement exists, the service is provided or the retail goods are sold, prices are fixed or determinable and collection is reasonably assured.

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. Entertainment, retail and other revenue includes rental income which is recognized on a time proportion basis over the lease term. Contingent rental income is recognized when the right to receive such rental income is established according to the lease agreements. Advance deposits on rooms and advance ticket sales are recorded as deferred revenues until services are provided to the customer.

Revenues are recognized net of certain sales incentives which are recorded as a reduction of revenue. Consequently, the Company's casino revenues are reduced by discounts and points earned in 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 is primarily included in casino expenses as follows (amounts in thousands):

	Three Months Ended March 31,	
	2013	2012
Rooms	\$ 9,427	\$ 8,985
Food and beverage	15,436	15,414
Entertainment, retail and other	3,051	3,817
	<u>\$27,914</u>	<u>\$28,216</u>

Gaming Taxes

The Company is subject to taxes based on gross gaming revenues, subject to applicable adjustments. These gaming taxes are an assessment on the Company's gaming revenues and are recorded as an expense within the "Casino" line item in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Loss. These taxes totaled \$12.5 million and \$11 million for the three months ended March 31, 2013 and 2012, respectively.

[Table of Contents](#)

Advertising Costs

The Company expenses advertising costs the first time the advertising takes place and such costs are primarily included in general and administrative expenses. Advertising costs totaled \$5.3 million and \$3.9 million for the three months ended March 31, 2013 and 2012, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation related to equity shares of Wynn Resorts granted to its employees by recognizing the costs of the employee services received in exchange for the equity award instrument based on the grant date fair value of the awards over the service period. For the three months ended March 31, 2013 and 2012, the Company recorded \$2.2 million and \$1.4 million, respectively, in share-based compensation with a corresponding credit to contributed capital.

Recently Issued Accounting Standards

In February 2013, the Financial Accounting Standards Board ("FASB") issued an accounting standards update that amends the presentation requirements for reclassifications out of accumulated other comprehensive income. The amendment would require an entity to present amounts reclassified out of accumulated other comprehensive income by component either on the face of the statement where net income is presented or in the notes. This update is effective prospectively for reporting periods beginning after December 15, 2012. The adoption of this update did not have a material impact on the Company's financial statements.

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

3. Supplemental Disclosure of Cash Flow Information

Interest paid for the three months ended March 31, 2013 and 2012 totaled \$75.5 million and \$55.8 million, respectively. Interest paid increased during the three months ended March 31, 2013 due to the issuance of the \$900 million 5 3/8% First Mortgage Notes in March 2012. There was no interest capitalized during the three months ended March 31, 2013 or 2012.

During the three months ended March 31, 2013 and 2012, capital expenditures include a decrease of \$0.7 million and \$4.8 million respectively, in construction payables and retention recorded through amounts due to affiliates.

4. Receivables, net

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

	March 31, 2013	December 31, 2012
Casino	\$186,379	\$ 190,528
Hotel	15,003	16,914
Retail leases and other	19,628	19,234
	221,010	226,676
Less: allowance for doubtful accounts	(63,467)	(64,281)
	<u>\$157,543</u>	<u>\$ 162,395</u>

[Table of Contents](#)

5. Property and Equipment, net

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

	March 31, 2013	December 31, 2012
Land and improvements	\$ 622,942	\$ 622,942
Buildings and improvements	2,626,882	2,626,384
Airplane	44,364	44,364
Furniture, fixtures and equipment	1,339,238	1,336,661
Construction in progress	6,538	2,518
	<u>4,639,964</u>	<u>4,632,869</u>
Less: accumulated depreciation	<u>(1,473,986)</u>	<u>(1,417,264)</u>
	<u>\$ 3,165,978</u>	<u>\$ 3,215,605</u>

6. Long-Term Debt

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

	March 31, 2013	December 31, 2012
7 7/8% First Mortgage Notes, due November 1, 2017, net of original issue discount of \$7,069 at March 31, 2013 and \$7,384 at December 31, 2012	\$ 492,931	\$ 492,616
7 7/8% First Mortgage Notes, due May 1, 2020, net of original issue discount of \$2,049 at March 31, 2013 and \$2,102 at December 31, 2012	349,961	349,908
7 3/4% First Mortgage Notes, due August 15, 2020	1,320,000	1,320,000
5 3/8% First Mortgage Notes, due March 15, 2022	900,000	900,000
\$42 million Note Payable due April 1, 2017; interest at LIBOR plus 1.25%	33,600	33,950
Payable to Affiliate	30,000	30,000
	<u>3,126,492</u>	<u>3,126,474</u>
Current portion of long-term debt	<u>(1,050)</u>	<u>(1,050)</u>
	<u>\$ 3,125,442</u>	<u>\$ 3,125,424</u>

Debt Covenant Compliance

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

Fair Value of Long-term Debt

The net book value of the Company's outstanding first mortgage notes was approximately \$3.1 billion at March 31, 2013 and December 31, 2012. The estimated fair value of the Company's outstanding first mortgage notes, based upon the most recent trades, was approximately \$3.4 billion at March 31, 2013 and December 31, 2012. The net book value and estimated fair value of the Company's other debt instruments was approximately \$33.6 million and \$34 million at March 31, 2013 and December 31, 2012, respectively.

7. Related Party Transactions

Amounts Due to Affiliates, net

As of March 31, 2013, the Company's current Due to affiliates, net was comprised of \$48.2 million including corporate allocations discussed below and \$3.4 million of construction related payables. The long-term Due to affiliates consisted of management fees of \$152.1 million (equal to 1.5% of net revenues and payable upon meeting certain leverage ratios as specified in the documents governing the Company's first mortgage notes indentures).

As of December 31, 2012, the Company's current Due to affiliates, net was comprised of \$33.7 million including corporate allocations discussed below and \$4.1 million of construction related payables. The long-term Due to affiliates consisted of management fees of \$146.3 million.

The Company periodically settles amounts due to affiliates with cash receipts and payments, except for the management fee, which is payable upon meeting certain leverage ratios specified in the documents governing the first mortgage notes.

Corporate Allocations

The accompanying Condensed Consolidated Statements of Operations and Comprehensive Loss include allocations from Wynn Resorts for legal, accounting, human resources, information services, real estate, and other corporate support services. The corporate support service allocations have been determined on a basis that Wynn Resorts and the Company consider to be reasonable estimates of the utilization of service provided or the benefit received by the Company. Wynn Resorts maintains corporate offices at Wynn Las Vegas without charge from the Company. The Company settles these corporate allocation charges with Wynn Resorts on a periodic basis as discussed in "Amounts Due to Affiliates, net" above. For the three months ended March 31, 2013 and 2012, \$6.2 million and \$6.7 million, respectively, were charged to the Company for such corporate allocations.

Due to Officers

The Company periodically provides services to Stephen A. Wynn, Chairman of the Board, Chief Executive Officer and one of the principal stockholders of Wynn Resorts ("Mr. Wynn"), and certain other executive officers and directors of Wynn Resorts. These services include household services, construction work and other personal services. The cost of these services is transferred to Wynn Resorts, Limited on a periodic basis. Mr. Wynn and these other officers and directors have amounts on deposit with Wynn Resorts to prepay any such items, which are replenished on an ongoing basis as needed.

Villa Suite Lease

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

[Table of Contents](#)

The “Wynn” Surname Rights Agreement

On August 6, 2004, Holdings entered into agreements with Mr. Wynn that confirm and clarify Holding’s rights to use the “Wynn” name and Mr. Wynn’s persona in connection with casino resorts. Under the parties’ Surname Rights Agreement, Mr. Wynn granted Holdings 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 Holdings 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. Holdings has sub-licensed rights to the “Wynn” name, persona and marks to the Company.

Golf Course Lease

On September 18, 2012, the Company distributed to Wynn Resorts, Limited, the Wynn Las Vegas golf course land and the related water rights. Commencing September 18, 2012, the Company leases approximately 140 acres (upon which the golf course is located) and water rights from Wynn Resorts. The term of this lease is on a month-to-month basis provided, however, that either party may terminate this lease by providing written notice of such termination to the other party no later than thirty (30) days prior to the expiration of any monthly period. The combined rental value for both the golf course land and the water rights is \$598,000 per month.

Aircraft Purchase Option Agreement

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

8. Property Charges and Other

Property charges generally include costs related to the retirement of assets for remodels and asset abandonments. Property charges and other for the three months ended March 31, 2013 and 2012 were \$2.8 million and \$3.7 million, respectively, which included miscellaneous renovations and abandonments at our resort and entertainment development costs.

9. Commitments and Contingencies

Litigation

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

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

On February 18, 2012, the Gaming Compliance Committee of Wynn Resorts, Ltd. concluded an investigation after receiving an independent report by Freeh, Sporkin & Sullivan, LLP (the “Freeh Report”) detailing a pattern of misconduct by Aruze USA, Inc., at the time a stockholder of Wynn Resorts, Universal Entertainment Corporation, Aruze USA, Inc.’s parent company, and Kazuo Okada, the majority shareholder of Universal Entertainment Corporation, who at the time was a director of Wynn Resorts and two of its subsidiaries (collectively, the “Okada Parties”). The factual record presented in the Freeh Report included evidence that the Okada Parties had provided valuable items to certain foreign gaming officials who were responsible for regulating gaming in a jurisdiction in

[Table of Contents](#)

which entities controlled by Mr. Okada were developing a gaming resort. Mr. Okada denied the impropriety of such conduct to members of the Board of Directors of Wynn Resorts, refused to acknowledge or abide by Wynn Resorts' anti-bribery policies and refused to participate in the training all other directors received concerning these policies.

Based on the Freeh Report, the Board of Directors of Wynn Resorts determined that each of the Okada Parties are "unsuitable persons" under Article VII of Wynn Resorts' articles of incorporation. The Board of Directors was unanimous (other than Mr. Okada) in its determination. The Board of Directors also requested that Mr. Okada resign as a director of Wynn Resorts (under Nevada corporation law, a board of directors does not have the power to remove a director) and recommended that Mr. Okada be removed as a member of the Board of Directors of Wynn Macau, Limited. On February 18, 2012, Mr. Okada was removed from the Board of Directors of Wynn Las Vegas Capital Corp., an indirect wholly owned subsidiary of Wynn Resorts, and on February 24, 2012, he was removed from the Board of Directors of Wynn Macau, Limited. On February 22, 2013, Mr. Okada was removed from the Board of Directors of Wynn Resorts by a stockholder vote in which 99.6% of the over 86 million shares voted were cast in favor of removal. Additionally, Mr. Okada resigned from the Board of Directors of Wynn Resorts on February 21, 2013.

Based on the Board of Directors' finding of "unsuitability," on February 18, 2012, Wynn Resorts redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. Following a finding of "unsuitability," Article VII of Wynn Resorts' articles of incorporation authorizes redemption at "fair value" of the shares held by unsuitable persons. Pursuant to the articles of incorporation, Wynn Resorts issued the Redemption Note to Aruze USA, Inc. in redemption of the shares. The Redemption Note has a principal amount of \$1.94 billion, matures on February 18, 2022 and bears interest at the rate of 2% per annum, payable annually in arrears on each anniversary of the date of the Redemption Note. The indebtedness evidenced by the Redemption Note is and shall be subordinated in right of payment, to the extent and in the manner provided in the Redemption Note, to the prior payment in full of all existing and future obligations of Wynn Resorts or any of its affiliates in respect of indebtedness for borrowed money of any kind or nature.

Wynn Resorts provided the Freeh Report to appropriate regulators and law enforcement agencies and is cooperating with related investigations that such regulators and agencies have undertaken. The conduct of the Okada Parties and any resulting regulatory investigations could have adverse consequences to Wynn Resorts and its subsidiaries. A finding by regulatory authorities that Mr. Okada violated anti-corruption statutes and/or other laws or regulations applicable to persons affiliated with a gaming licensee on Wynn Resorts' property and/or otherwise involved Wynn Resorts in criminal or civil violations could result in actions by regulatory authorities against Wynn Resorts and its subsidiaries.

Claims and Investigations Related to Mr. Okada and Wynn Macau

On February 19, 2012, Wynn Resorts filed a complaint in the Eighth Judicial District Court, Clark County, Nevada against the Okada Parties, alleging breaches of fiduciary duty and related claims (the "Redemption Action") arising from the activities addressed in the Freeh Report. Wynn Resorts is seeking compensatory and special damages as well as a declaration that it acted lawfully and in full compliance with its articles of incorporation, bylaws and other governing documents in redeeming and cancelling the shares of Aruze, USA, Inc.

On March 12, 2012, the Okada Parties removed the action to the United States District Court for the District of Nevada (the action was subsequently remanded to Nevada state court). On that same date, the Okada Parties filed an answer denying the claims and a counterclaim (as amended, the "Counterclaim") that purports to assert claims against Wynn Resorts, each of the members of Wynn Resorts' Board of Directors (other than Mr. Okada) and Wynn Resorts' General Counsel (the "Wynn Parties"). The Counterclaim alleges, among other things: (1) that the shares of Wynn Resorts common stock owned by Aruze USA, Inc. were exempt from the redemption-for-unsuitability provisions in the Wynn Resorts articles of incorporation (the "Articles") pursuant to certain agreements executed in 2002; (2) that the Wynn Resorts directors who authorized the redemption of

[Table of Contents](#)

Aruze USA, Inc.'s shares acted at the direction of Stephen A. Wynn and did not independently and objectively evaluate the Okada Parties' suitability, and by so doing, breached their fiduciary duties; (3) that the Wynn Resorts directors violated the terms of the Wynn Resorts Articles by failing to pay Aruze USA, Inc. fair value for the redeemed shares; and (4) that the terms of the Redemption Note that Aruze USA, Inc. received in exchange for the redeemed shares, including the Redemption Note's principal amount, duration, interest rate, and subordinated status, were unconscionable; and (5) that the actions taken by the Wynn Resorts CEO and General Counsel violated the Nevada Racketeer Influenced and Corrupt Organizations Act. Among other relief, the Counterclaim seeks a declaration that the redemption of Aruze USA, Inc.'s shares was void, an injunction restoring Aruze USA, Inc.'s share ownership, damages in an unspecified amount and rescission of the Amended and Restated Stockholders Agreement, dated as of January 6, 2010, by and among Aruze USA, Inc., Stephen A. Wynn, and Elaine Wynn (the "Stockholders Agreement").

On June 19, 2012, Elaine Wynn responded to the Counterclaim and asserted a cross claim against Steve Wynn and Kazuo Okada seeking a declaration that (1) any and all of Elaine Wynn's duties under the Stockholders Agreement be discharged; (2) the Stockholders Agreement is subject to rescission and is rescinded; (3) the Stockholders Agreement is an unreasonable restraint on alienation in violation of public policy; and/or (4) the restrictions on sale of shares shall be construed as inapplicable to Elaine Wynn. Mr. Wynn filed his answer to Elaine Wynn's cross claim on September 24, 2012. The indentures for the Wynn Las Vegas, LLC first mortgage notes (the "Indentures") provide that if Steve Wynn, together with certain related parties, in the aggregate beneficially owns a lesser percentage of the outstanding common stock of Wynn Resorts than are beneficially owned by any other person, a change of control will have occurred. If Elaine Wynn prevails in her cross claim, Steve Wynn would not beneficially own or control Elaine Wynn's shares and a change in control may result under the Company's debt documents. Under the Indentures, the occurrence of a change of control requires that the Company make an offer (unless the notes have been previously called for redemption) to each holder to repurchase all or any part of such holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest on the Notes purchased, if any, to the date of repurchase.

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

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

In May 2011, Wynn Macau, a majority owned subsidiary of Wynn Resorts, made a commitment to the University of Macau Development Foundation in support of the new Asia-Pacific Academy of Economics and Management. This contribution consists of a \$25 million payment made in May 2011 and a commitment for additional donations of \$10 million each year for the calendar years 2012 through 2022 inclusive. The pledge was consistent with Wynn Resorts' long-standing practice of providing philanthropic support for deserving institutions in the markets in which it operates. The pledge was made following an extensive analysis which

concluded that the gift was made in accordance with all applicable laws. The pledge was considered by the boards of directors of both Wynn Resorts and Wynn Macau, Limited and approved by 15 of the 16 directors who served on those boards. The sole dissenting vote was cast by Mr. Okada whose stated objection was to the length of time over which the donation would occur, not its propriety. Mr. Okada has filed various lawsuits against Wynn Resorts relating to Wynn Resorts' donation to the University of Macau and alleging that it was improper.

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

In February 2013, the Nevada Gaming Control Board informed Wynn Resorts that it had completed an investigation of allegations made by Mr. Okada against Wynn Resorts regarding the activities of Mr. Wynn and related entities in Macau and found no violations of the Gaming Control Act or the Nevada Gaming Commission Regulations.

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

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

For additional information regarding the proceedings discussed above and related proceedings see Part II, Item 1 of the Quarterly Report on Form 10-Q filed by Wynn Resorts for the quarter ended March 31, 2013.

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

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

Forward-Looking Statements

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

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

- leverage and debt service (including sensitivity to fluctuations in interest rates);
- volatility and weakness in world-wide credit and financial markets and from governmental intervention in the financial markets;
- our dependence on Stephen A. Wynn and existing management;
- pending or future legal proceedings;
- regulatory or enforcement actions;
- our dependence on Wynn Las Vegas for all of our cash flow;
- competition in the casino/hotel and resort industries and actions taken by our competitors;
- fluctuations in occupancy rates and average daily room rates;
- adverse tourism trends given the current domestic and international economic conditions;
- new development and construction activities of competitors;
- 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);
- approvals under applicable jurisdictional laws and regulations (including gaming laws and regulations);
- general global macroeconomic conditions;
- decreases in levels of travel, leisure and consumer spending;
- continued high unemployment;
- cyber security risk including misappropriation of customer information or other breaches of information security;
- the impact that an outbreak of an infectious disease or the impact of a natural disaster may have on the travel and leisure industry; and

[Table of Contents](#)

- the consequences of military conflicts and any future security alerts and/or terrorist attacks.

Further information on potential factors that could affect our financial condition, results of operations and business are included in this report and our other filings with the SEC. You should not place undue reliance on any forward-looking statements, which are based only on information 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 currently own and operate Wynn Las Vegas I Encore (“Wynn Las Vegas”), a fully integrated destination casino resort in Las Vegas, Nevada. Wynn Las Vegas, located at the intersection of the Las Vegas Strip and Sands Avenue, occupies approximately 215 acres of land (of which approximately 140 acres comprise the Wynn Las Vegas golf course) fronting the Las Vegas Strip and utilizes approximately 18 additional acres across Sands Avenue, a portion of which is improved with an employee parking garage and approximately 5 acres adjacent to the golf course on which an office building is located. Commencing September 18, 2012, when the golf course land and related water rights were distributed to Wynn Resorts, we lease approximately 140 acres (upon which the golf course is located) and water rights from Wynn Resorts.

Our Las Vegas resort complex features:

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

Construction and Future Development

In response to our evaluation of our property and the reactions of our guests, we have and expect to continue to remodel and make enhancements and refinements to our resort complex.

Results of Operations

We offer gaming, hotel accommodations, dining, entertainment, retail shopping, convention services and other amenities at Wynn Las Vegas and Encore. We currently rely solely upon the operations of this resort complex for our operating cash flow. Concentration of our cash flow in one resort complex 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 resort complex, many of our customers are premium gaming customers who wager on credit, thus exposing us to credit risk. High-end gaming also increases the potential for variability in our results.

[Table of Contents](#)

We recorded a net loss for the three months ended March 31, 2013 of \$16.4 million, compared to a net loss of \$35.4 million recorded for the three months ended March 31, 2012. Our results for the three months ended March 31, 2013 were benefitted by improved profits primarily in the casino department (\$13.7 million) where we experienced a higher table games win percentage as well as in the food and beverage department.

Certain key operating statistics specific to the gaming industry are included in our discussions of the Company's operational performance for the periods in which a Condensed Consolidated Statement of Operations and Comprehensive Loss is presented. Below are definitions of the statistics discussed:

- Table games win is the amount of drop that is retained and recorded as casino revenue.
- Drop is the amount of cash and net markers issued that are deposited in a gaming table's drop box.
- Slot win is the amount of handle (representing the total amount wagered) that is retained and is recorded as casino revenue.
- Average Daily Rate ("ADR") is calculated by dividing total room revenue including promotional allowances (less service charges, if any) by total rooms occupied including complimentary rooms.
- Revenue per Available Room ("REVPAR") is calculated by dividing total room revenue including promotional allowances (less service charges, if any) by total rooms available.
- Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by total rooms available.

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

Revenues

Net revenues for the three months ended March 31, 2013, are composed of \$176.3 million in casino revenues (45.6% of total net revenues) and \$210.5 million of net non-casino revenues (54.4% of total net revenues). Net revenues for the three months ended March 31, 2012, were comprised of \$157.7 million in casino revenues (43.4% of total net revenues) and \$205.4 million of net non-casino revenues (56.6% of total net revenues).

Casino revenues are comprised of the net win from our table games and slot machine operations. We experienced an increase in casino revenues of \$18.6 million (11.8%) to \$176.3 million for the three months ended March 31, 2013, compared to \$157.7 million for the three months ended March 31, 2012, due to a significant increase in our table games win percentage (before discounts). Our table games win percentage for the three months ended March 31, 2013, was 26.7%, which was above the expected range of 21% to 24%; and was significantly higher than the 22.8% experienced in the prior year quarter. Table games drop increased \$14.4 million (2.2%) to \$668.9 million during the three months ended March 31, 2013, compared to \$654.5 million for the three months ended March 31, 2012. Slot machine handle decreased \$22.3 million (3.1%) to \$696.6 million compared to \$718.9 million in the prior year quarter. Slot machine win of \$42.3 million was 1.7% lower than the \$43 million achieved in the quarter ended March 31, 2012.

For the three months ended March 31, 2013, room revenues were \$91.5 million, which represents a \$4.1 million (4.8%) increase over the \$87.4 million generated in the three months ended March 31, 2012. Room revenue increased primarily due to higher occupancy rate and ADR. See the table below for key operating measures related to our room revenue.

	Three Months Ended March 31,	
	2013	2012
Average Daily Rate	\$ 258	\$ 255
Occupancy	82.9%	79.3%
REVPAR	\$ 214	\$ 202

[Table of Contents](#)

Other non-gaming revenues for the three months ended March 31, 2013, included food and beverage revenues of \$115.4 million, retail revenues of \$19.9 million, entertainment revenues of \$15.2 million, and other revenues from outlets, including the spa and salon, of \$14.6 million. Other non-casino revenues for the three months ended March 31, 2012, included: food and beverage revenues of \$108.9 million, retail revenues of \$20.1 million, entertainment revenues of \$21.1 million, and other revenues from outlets such as the spa and salon, of \$15.1 million. Food and beverage revenues increased primarily due to strong business in our restaurants and nightclubs. Entertainment revenues decreased due to a show that ended its run in November 2012.

Departmental, Administrative and Other Expenses

For the three months ended March 31, 2013, departmental expenses included casino expenses of \$83.8 million, room expense of \$32.2 million, food and beverage expenses of \$69.9 million, and entertainment, retail and other expenses of \$28.1 million. Also included are general and administrative expenses of \$59.1 million and a \$3.2 million charge to provision for doubtful accounts receivable. For the three months ended March 31, 2012, departmental expenses included casino expense of \$78.9 million, room expense of \$29.2 million, food and beverage expense of \$65.3 million, and entertainment, retail and other expense of \$37.1 million. Also included are general and administrative expenses of approximately \$55.2 million and approximately \$4.4 million charged as a provision for doubtful accounts receivable. Food and beverage expenses increased over prior year quarter primarily due to additional nightclub promotional costs. Entertainment, retail and other expenses decreased primarily due to a show that ended its run in November 2012. General and administrative expenses increased primarily due to higher advertising costs and intercompany golf course and water rights lease expense that began in September 2012.

Management fees

Since opening Wynn Las Vegas, management fees payable to Wynn Resorts for certain corporate management services have been charged and accrued at a rate equal to 1.5% of net revenues. These fees will be paid upon meeting certain leverage ratios and satisfying certain other criteria set forth in the first mortgage notes indentures. Management fees were \$5.8 million for the three months ended March 31, 2013, compared to \$5.5 million for the three months ended March 31, 2012.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2013 was \$61.6 million compared to \$63.4 million for the three months ended March 31, 2012.

Property charges and other

Property charges and other for the three months ended March 31, 2013 were \$2.8 million compared to \$3.7 million for the three months ended March 31, 2012. Property charges and other for the three months ended March 31, 2013 and 2012 related to miscellaneous renovations and abandonments at our resort complex and entertainment development costs.

In response to our evaluation of our resort complex and the reactions of our guests, we continue to make enhancements and refinements. The costs relating to assets retired as a result of these enhancement and remodel efforts will be expensed as property charges.

Other non-operating costs and expenses

Interest expense was \$56.8 million for the three months ended March 31, 2013, compared to \$52.1 million for the three months ended March 31, 2012. No interest was capitalized during the quarter ended March 31, 2013 or 2012. Interest expense increased approximately \$4.7 million primarily due to the issuance of the \$900 million 5 3/8% first mortgage notes in March 2012, offset by the termination of all term loans under the Wynn Las Vegas Credit Agreement.

[Table of Contents](#)

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

Liquidity and Capital Resources

Cash Flow from Operations

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

Net cash provided by operations for the three months ended March 31, 2013, was \$23.1 million compared to \$31.7 million provided by operations for the three months ended March 31, 2012. This decrease was driven by higher interest payments and other ordinary working capital changes such as accrued expenses and accounts payable.

Investing Activities

Capital expenditures were approximately \$8.9 million and \$15.1 million for the three months ended March 31, 2013 and 2012, and related primarily to general property maintenance.

Financing Activities

On March 12, 2012, the Company and Wynn Las Vegas Capital Corp. (together the “Issuers”) issued, in a private offering, \$900 million aggregate principal amount of 5 ³/₈% First Mortgage Notes due 2022 (the “2022 Notes”) pursuant to an Indenture, dated as of March 12, 2012 (the “2022 Indenture”). A portion of the proceeds were used to repay all amounts outstanding under the Wynn Las Vegas term loan facilities. In October 2012, we commenced an offer to exchange all of the 2022 Notes for notes registered under the Securities Act of 1933, as amended. The exchange offer closed on November 6, 2012.

On March 12, 2012, the Company entered into an eighth amendment (“Amendment No. 8”) to its Amended and Restated Credit Agreement (the “Wynn Las Vegas Credit Agreement”). Amendment No. 8 amended the Wynn Las Vegas Credit Agreement to, among other things, permit the issuance of the 2022 Notes. Concurrently with the issuance of the 2022 Notes, we prepaid all term loans under the Wynn Las Vegas Credit Agreement, terminated all of its revolving credit commitments that were due to expire in 2013, and terminated all but \$100 million of its revolving credit commitments expiring in 2015. In connection with this transaction, the Company expensed deferred financing costs of \$4.8 million.

Capital Resources

At March 31, 2013, we had \$170.5 million of cash and cash equivalents available for use without restriction, including for operations, debt service and retirement, new development activities, enhancements to Wynn Las Vegas and general corporate purposes. We require a certain amount of cash on hand for operations. We anticipate such funds, together with any additional borrowings and cash generated from operations will satisfy our liquidity needs during 2013.

[Table of Contents](#)

Contractual Obligations and Off-Balance Sheet Arrangements

As of March 31, 2013 we had unsecured outstanding letters of credit totaling \$15.8 million. There have been no other material changes outside the ordinary course of our business during the quarter to our contractual obligations or off-balance sheet arrangements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012.

Other Liquidity Matters

We are restricted under the indentures governing the first mortgage notes from making certain “restricted payments” as defined in the indentures. These restricted payments include the payments 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 until certain other financial and non-financial criteria have been satisfied.

We intend to fund our operations and capital requirements from cash on hand and operating cash flow. We cannot be sure that we will generate sufficient cash flow from operations or that future borrowings that are available to us, if any, will be sufficient to enable us to service and repay our indebtedness and to fund our other liquidity needs. We cannot be sure that we will be able to refinance any of our indebtedness on acceptable terms or at all. Certain legal matters may also impact our liquidity. As described in our Condensed Consolidated Financial Statements, Note 9 – “Commitments and Contingencies”, Elaine Wynn has submitted a cross claim against Steve Wynn and Kazuo Okada. The indentures for the Wynn Las Vegas first mortgage notes provide that if Steve Wynn, together with certain related parties, in the aggregate beneficially owns a lesser percentage of the outstanding common stock of Wynn Resorts than are beneficially owned by any other person, a change of control will have occurred. If Elaine Wynn prevails in her cross claim, Steve Wynn would not beneficially own or control Elaine Wynn’s shares and a change in control may result under the Company’s debt documents.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in 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.

Critical Accounting Policies and Estimates

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

Recently Issued Accounting Standards

In February 2013, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update that amends the presentation requirements for reclassifications out of accumulated other comprehensive income. The amendment would require an entity to present amounts reclassified out of accumulated other comprehensive income by component either on the face of the statement where net income is presented or in the notes. This update is effective prospectively for reporting periods beginning after December 15, 2012. The adoption of this update did not have a material impact on our financial statements.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risks

Our primary exposure to market risk is interest rate risk associated with our debt facilities that bear interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings, and in the past by 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 Sensitivity

As of March 31, 2013 our long-term debt was essentially based on fixed rates.

Item 4. Controls and Procedures

(a) *Disclosure Controls and Procedures.* The Company's management, with the participation of the Company's principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on such evaluation, the Company's principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective, at the reasonable assurance level, in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and 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 principal executive officer and principal 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 1A. Risk Factors

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

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

Restrictions imposed by our debt instruments significantly restrict us, subject to certain exceptions for payment of allocable corporate overhead, from declaring or paying dividends or distributions. Specifically, we are restricted under the indentures governing the first mortgage notes from making certain "restricted payments"

as defined therein. These restricted payments include the payment of dividends or distributions to any direct or indirect holders of our membership interests. These restricted payments may not be made until certain other financial and non-financial criteria have been satisfied.

Item 5. Other Information

As disclosed in prior filings of Wynn Resorts, Limited (“WRL”) and Wynn Las Vegas, LLC (“WLV”) with the SEC, pursuant to that certain Amended and Restated Agreement of Lease, dated as of March 18, 2010 and amended as of April 9, 2012 (the “Existing SW Lease”), by and between Stephen A. Wynn (“Mr. Wynn”), Chairman of the Board of Directors and Chief Executive Officer of WRL, and WLV, Mr. Wynn leases two fairway villas as Mr. Wynn’s personal residence. On May 7, 2013, Mr. Wynn and WLV entered into a 2013 Amended and Restated Agreement of Lease (the “New SW Lease”) amending and restating the Existing SW Lease, effective as of December 29, 2012, for the lease of three fairway villas (the “Villas”) as Mr. Wynn’s personal residence. The New SW Lease was approved by the Audit Committee of the Board of Directors of WRL. The term of the lease runs concurrent with the term of Mr. Wynn’s employment agreement with WRL; provided that either party may terminate on 90 days notice. The rental value of the Villas is treated as imputed income to Mr. Wynn, equal to the fair market value of the accommodations provided. Pursuant to the New SW Lease, effective as of December 29, 2012 and ending on February 28, 2015, the rental value of the Villas was established as \$525,000 per year, which amount was determined based on a third-party appraisal. The rental value of the Villas will be re-determined every two years based upon an independent third-party appraisal. Certain services for, and maintenance of, the Villas are included in the rental. The New SW Lease also includes Mr. Wynn’s use of warehouse space owned by WLV. This description of the New SW Lease is qualified in its entirety by reference to the New SW Lease, a copy of which is filed herewith as Exhibit 10.1.

Item 6. Exhibits

(a) Exhibits

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1	Second Amended and Restated Articles of Organization of Wynn Las Vegas, LLC. (1)
3.2	Second Amended and Restated Operating Agreement of Wynn Las Vegas, LLC. (1)
*10.1	2013 Amended and Restated Agreement of Lease, dated as of May 7, 2013, by and between Wynn Las Vegas, LLC and Stephen A. Wynn.
10.2	Aircraft Purchase Option Agreement, dated January 3, 2013, between Wynn Resorts, Limited and Stephen A. Wynn. (2)
*31.1	Certification of Principal Executive Officer of Periodic Report Pursuant to Rule 13a – 14(a) and Rule 15d – 14(a).
*31.2	Certification of Principal 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.
*101	The following financial information from the Company’s Quarterly Report on Form 10-Q for the three months ended March 31, 2013, filed with the SEC on May 10, 2013 formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2013 and 2012, (ii) the Condensed Consolidated Balance Sheets at March 31, 2013 and December 31, 2012, (iii) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012, and (iv) Notes to Condensed Consolidated Financial Statements.**
<hr/>	
*	Filed herewith
**	Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed part of a registration statement, prospectus or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filings.
(1)	Previously filed with the Registration Statement on Form S-4 filed by the Registrant on April 13, 2005 (File No. 333-124052) and incorporated herein by reference.
(2)	Previously filed with the Annual Report on Form 10-K filed by Wynn Resorts on March 1, 2013.

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 LAS VEGAS, LLC

Dated: May 10, 2013

By: /s/ Scott Peterson
Scott Peterson
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

2013 AMENDED AND RESTATED AGREEMENT OF LEASE

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

RECITALS:

A. Lessor is a wholly-owned subsidiary of Wynn Resorts, Limited, and the developer, owner and operator of the world-class luxury casino and resort hotel located at 3131 Las Vegas Boulevard South, Las Vegas, Nevada, commonly known as Wynn Las Vegas (the "Resort").

B. Lessee is a principal shareholder, Chairman of the Board of Directors and Chief Executive Officer of Wynn Resorts, Limited.

C. Lessor and Lessee believe it is in Lessor's best interests for Lessee to live in the Resort and that Lessee pay fair market value for his accommodations as set forth herein.

D. The Parties have entered into an Amended and Restated Agreement of Lease, dated as of March 1, 2010, amended by that certain First Amendment to Amended and Restated Agreement to Lease, dated April 9, 2012, (collectively referred to herein as the "Existing Lease"), under which Lessee leases luxury villas in the Resort.

E. The Parties desire to amend and restate the Existing Lease in its entirety to set forth their agreements with respect to Lessee's lease of luxury villas in the Resort.

NOW, THEREFORE, it is agreed as follows:

1. Demise. Subject to the terms and conditions that follow, Lessor leases to Lessee, and Lessee leases from Lessor, three (3) luxury villas located in the Resort known as Fairway Villa Unit No. ***, Fairway Villa Unit No. *** and Fairway Villa Unit No. ***, with a combined total square footage of approximately 9,745 square feet, as currently improved, including all furniture and furnishings contained therein (collectively, the "Villas").

2. Term. The term of this Lease shall run concurrent with the term of Lessee's Employment Agreement with Wynn Resorts, Limited (the "Term"); provided that, either party may terminate the Lease upon ninety (90) days prior written notice to the other.

3. Rental Value.

(a) The rental value for the Villas (the "Rental Value") shall be treated as imputed income to Lessee. The Rental Value shall be equal to the fair market value of the accommodations provided. The Rental Value shall be included on Lessee's IRS form W-2 as part of his base income.

(b) Effective as of December 29, 2012, and ending on February 28, 2015, the Rental Value for the Villas shall be Five Hundred and Twenty-Five Thousand Dollars (\$525,000.00) per year as established by the independent appraisal of Newmark Grubb Knight Frank, dated March 25, 2013.

(c) The Rental Value of the Villas shall be re-determined every two (2) years during the Term, commencing March 1, 2015, based upon an appraisal completed by an independent real estate appraiser practicing in the greater Las Vegas area or other qualified independent expert approved by the Audit Committee.

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

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

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

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

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

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

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

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

/s/ Maurice Wooden
Maurice Wooden
President

/s/ Stephen A. Wynn
Stephen A. Wynn

**Certification of Chief Executive Officer
of Periodic Report Pursuant to
Rule 13a – 14(a) and Rule 15d – 14(a)**

I, Maurice Wooden, certify that:

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

Date: May 10, 2013

/s/ Maurice Wooden

Maurice Wooden
President
(Principal Executive Officer)

**Certification of Chief Financial Officer
of Periodic Report Pursuant to
Rule 13a – 14(a) and Rule 15d – 14(a)**

I, Scott Peterson, certify that:

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

Date: May 10, 2013

/s/ Scott Peterson

 Scott Peterson
 Senior Vice President and
 Chief Financial Officer
 (Principal Financial Officer and
 Principal Accounting 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 Las Vegas, LLC (the "Company") for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Maurice Wooden, as President of the Company and Scott Peterson, 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 their 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/ Maurice Wooden

Name: Maurice Wooden
Title: President
(Principal Executive Officer)
Date: May 10, 2013

/s/ Scott Peterson

Name: Scott Peterson
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: May 10, 2013

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