5-10-2011

Wynn Resorts, Ltd.

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WYNN RESORTS, LIMITED

A Research Project Submitted in Partial Fulfillment
of the Requirements for the MBA Degree
Course: HOSP6800
Hospitality and Tourism Business Policy and Strategy

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May 10, 2011

1. All financial data have come from the 2010 or 2009 10-K Report of Las Vegas Sands Corp., MGM Resorts International, and Wynn Resorts, Ltd.
2. All industry standards are from personal communications with Dr. Cooper, HOSP5600.
3. All industry medians are taken from Hoovers.com and the market price is taken from Yahoo Finance.

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Executive Summary

Wynn Resorts, Ltd. ("Wynn Resorts"), established in 2002, is an international corporation, providing the luxurious casino resorts destinations in two areas: Las Vegas and Macau. A total of four properties offers casino and non-casino services including rooms, F&B, entertainment, meetings, retail outlets and others. The company generates approximately 70% of revenues from casino and Macau properties. The company sets up several subsidiaries to operate business more effectively and retains the most influential person, Steve Wynn, in the casino resorts business. The maturity of the casino resorts varies based on the region: the US market is in the mature stage and the Asian market is in the growth stage (IBIS World. 2011; Samadi. 2011; Wynn Resorts, Ltd., 2011a).

Most of the general external environmental issues – global, environmental, economic, socio-cultural, political and legal issues – strongly affect the casino resorts, while demographic and technological issues do not strongly affect this business. Based on the business maturity and the nature of the casino resorts, the threat of rivalry shows a moderately strong position and the threat of new entrants shows a moderate position. Also, the power of supplier and buyer does not strongly affect the casino resorts business, while the threat of substitutes shows a moderate position in this business.

The company shows a strong position in product and price. However, a limited geographical distribution and generous promotion lead the company's overall marketing position to moderately strong. Also, an unfavorable solvency condition gives rise to the company's finance position as moderately strong. However, due to the renovation of the rooms, its short history, many awards, and various partnerships, Wynn Resorts shows strong in the physical and partnership position. A recent change of the president in Las Vegas properties, the lack of the successor of Mr. Wynn, and the reduction of the number of employees turn the company's organization and human resources position into moderate, but the company's innovative movement and a good reputation result in the company's current market position (Benston, 2011; Finnegan, 2011; Wynn Resorts. Ltd., 2010e, 2011a).

Compared with two closest competitors, Las Vegas Sands Corp. and MGM Resorts International, Wynn Resorts shows a stronger position in product, price, the assets utilization and reputation, which are called distinctive competencies. Considering the sustainability of the distinctive competencies, only good reputation is said to be a sustainable competitive advantage (SCA) of the company. However, I believe that the reputation is very sensitive to be damaged, so that the company should be very careful to keep it sustainable in the long-term. In addition, from the above analysis, I conclude that Wynn Resorts is in a favorable position in the market (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resort. Ltd., 2011a).

From the beginning of the business, the company sticks to the global broad differentiation strategy and mainly implements the organic growth, along with forming several strategic alliances and a joint-venture. The profitable financial performance, a good reputation, and the customers' perception to Wynn Resorts may prove that these strategies, which the company adopted, work effectively for the business success (Jinks. 2011; Wynn Resorts, Ltd.. 2003, 2004, 2011a, 2011b).

For the future success, I suggest that the company keep basic strategies, the global and the broad differentiation, aggressively expand its business through the organic growth and other partnerships. Also, the company needs to maintain the SCA, the reputation, more sustainable through executing the green movement and corporate social responsibility (CSR). Making organization more stable and strong is necessary for the business prosperity.

Nature of the Business

Wynn Resorts, Ltd., established in 2002, is an international corporation, providing the casino resorts destinations. The company owns and operates four properties in two areas: Las Vegas and the Macau Special Administrative Region of the People's Republic of China ("Macau"). Wynn Resorts offered its initial public offering on NASDAQ in 2002 and Wynn Macau also debuted on The Stock Exchange of Hong Kong Limited in October, 2009 (Wynn Resorts, Ltd., 2010d, 2011a).

Product Lines

Wynn Resorts mainly provides casino services. Meanwhile, the company has offered various non-casino services to customers, generating its revenues: hotel rooms, restaurants, meetings and conventions, entertainment, retail outlets, and others. All products are designed to target people who pursue a high-end and luxury level of service. Even though the volume of the product is different for each property, all of its properties consist of the same product lines (Wynn Resorts, Ltd., 2011a).

Table 1.

Properties' operations

	Casino Space (Sq.f.)	#of Room	#of Restaurants	Retail Space (Sq.f.)
Wynn Las Vegas	110,000	2,716	22	74,000
Encore at Wynn Las Vegas	76,000	2,034	13	27,000
Las Vegas Total	186,000	4,750	35	101,000
Wynn Macau	220,000	595	6	48,000
Encore at Wynn Macau	34,000	414	2	3,200
Macau Total	254,000	1,009	8	51,200

(Wynn Resorts, Ltd., 2011a).

Geographic Distribution

As mentioned earlier, the company has a total of four properties in two areas: Las Vegas and Macau. The company operates its business in very limited areas, but these areas are the most remarkable places for casino resorts nowadays (Investors.com. 2011: Wynn Resorts, Ltd., 2011a).

Product Mix

As noted below, its sales mix has shown that casino: rooms: F&B: entertainment and others are equal to 72:9:11:8, as of December 2010. It also shows some changes compared to last year: casino: rooms: F&B: entertainment and others are equal to 67:11: 13: 9. Due to the recovery from the economic downturn and the opening of Encore at Wynn Macau, casino revenue has shown a significant increase, while other product lines have decreased in revenue. In addition, the company relies more on generating revenues from the Macau properties compared to last year (Wynn Resorts. Ltd., 2011a).

Table 2.

Sales mix (Year 2009and 2010)

	Year 2010		Year2009	
	$ million	% of total	$ million	% of total
Casino	3,245	72%	2,207	67%
Rooms	400	9%	378	11%
Food and Beverage	488	11%	436	13%
Entertainment, retail, and other	354	8%	288	9%
Adjustments	(303)	-	(264)	-
Total	4,184	100%	3,045	100%

(Wynn Resorts, Ltd., 2011a).

Table 3.

Regional revenues mix (Year 2009and 2010)

	Year 2010		Year2009	
	$ million	% of total	$ million	% of total
Las Vegas	1,296	30.98%	1,229	40.36%
Macau	2,888	69.02%	1,816	59.64%
Total	4,184	100%	3,045	100%

(Wynn Resorts, Ltd., 2011a).

Organizational Structure

The company has several subsidiaries, such as Wynn Resorts International Ltd., Wynn Macau Ltd., Wynn Development LLC., Wynn Resorts Holdings, LLC., Wynn Las Vegas LLC., and Wynn Design and Development, so that they can function as a whole. The subsidiary of Wynn Macau Ltd. may lead to efficient operations in the Macau market. Through the Wynn Design and Development, the company has consistently exhibited Wynn's signature design style over four properties (Hoovers, 2011e).

The company has relied heavily on Steve Wynn's leadership and management. Also, the largest stockholders control the company's operations: Mr. Wynn, Elaine P. Wynn, and Aruze USA Inc. hold a 35.6% share of the common stock. Senior management level seems very stable and most of them have worked with Wynn Resorts or Steve Wynn, CEO of the company, for a long time (Hoovers, 2011e ; Wynn Resorts, Ltd., 2011a).

Recently, Marilyn W. Spiegel, formerly of Harrah's Entertainment as president of Bally's, Paris and Planet Hollywood, became the president of Wynn Las Vegas and Encore at Wynn Las Vegas. Along with this, some of the organization's structure and managers have been changed: marketing, corporate branding and casino promotion were newly set up and an executive-level marketing position was added. Also, the company lay off more than 250 employees in 2010, instead of reducing their pay and working hours in 2009 (Benston, 2011; Finnegan, 2010b).

Critical People

The chairman and CEO of Wynn Resorts, Stephen A. Wynn, is one of the influential people in the US casino resort industry. He built several remarkable casino hotels in Las Vegas: The Mirage, Treasure Island, and Bellagio. Also, he contributed to Las Vegas being named as America's number one tourist destination (Burbank, 2010; Speakers Platform, n.d.).

In leading his own company, Wynn Resorts, he has shown ability. Despite the severe economic downturn, Wynn Resorts had a favorable financial performance, including an increase in revenue and providing its high-level service. The ambience of Wynn Resorts was reflected by the art which Mr. Wynn is interested in. Because the company depends heavily on Mr. Wynn's leadership, the company points out that the loss of Mr. Wynn is one of its risks for the company (Wynn Resorts. Ltd., 2010e, 2011a).

Business Unit

The company operates casino resorts destinations which provide various resorts' service as well as casinos. Customers can visit its properties for many reasons: a hotel, restaurants, meetings and conventions, entertainment, retail outlets, spas, and casinos. At the same time, other casino resort companies provide the same services as Wynn Resorts does. Thus, I believe that Wynn Resorts is involved in one business, Casino Resorts. I also consider its closest competitors as Las Vegas Sands Corp. and MGM Resorts International which provide high quality services of their casino resorts to customers (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Business Maturity

Regarding the business maturity of the global casino resorts, I believe that it is in the growth stage of the business life cycle. Actually, it really varies depending on the region, especially in terms of growth: the United States market, including Las Vegas, is said to be in the mature stage, while the Asian market is in the growth stage.

The US casino resorts market includes Nevada, Atlantic City, Tribal casinos, and other regional casinos. In 2009, industry revenues decreased by 8.4% to $42.9 billion due to the recession. However, as economic conditions have recovered in 2010, revenues have increased by

1.7% to $43.6 billion. According to the IBIS World Industry Report, its revenues are also expected to increase by 7.6% in 2011. Recently, the Las Vegas market has struggled with the slow recovery of the economy and an excess room supply due to opening CityCenter and Cosmopolitan of Las Vegas in 2009 and 2010 respectively. I believe that this contributed to a steady growth in Las Vegas and it also affected the US market (PwC, 2010; Samadi, 2011).

In addition, the industry consolidation began to occur. There were mergers between Harrah's Entertainment and Caesars Entertainment, and MGM Resorts and Mandalay Resorts Group in 2005. Also, Harrah's acquired the Planet Hollywood Hotel and Casino in Las Vegas in 2010 (Beasley, 2010; Caesars Entertainment, 2005; MGM Resorts International, 2005).

On the other hand, casino resorts in Asia are still growing fast. Casino revenues in Macau recorded a 58% increase to $23.5 billion in 2010. Opening of the Singapore Marina Bay market and developing the Cotai project in Macau are also expected to accelerate its growth. Other Asian countries, such as Malaysia and the Philippines, would add to its growth rate. As the casino market has become larger in Asia, potential customers will increase from nearby countries. Also, US companies have expanded their business internationally (Investors.com, 2011; PwC, 2010).

Considering its market worldwide, the growth rate was 8.8% from 2009 to 2010 and is still anticipated to increase over 10% from 2010 to 2011. From a market share standpoint, top four companies capture less than 21% of the market share and the rest is held by many other companies. The fundamental entry barrier for casino resorts is high because it is a capital-intense business, especially for luxurious casino resorts, and the level of government's regulation is very high. In my point of view, if the government deregulates the casino market, this market would more rapidly grow in the future (IBIS World, 2011; PwC, 2010).

Therefore, I believe that the global casino resorts business is in growth stage. In other words, companies still have potential to grow their business globally, even though the iconic market, Las Vegas, shows a steady growth.

Overall Strategy

Wynn Resorts has adopted the global broad differentiation strategy since it was established: the company provides various products and luxurious services within two areas, Las Vegas and Macau. At the same time, the company depends largely on the organic growth strategy, along with having the strategic alliance and forming a joint venture for growth. I believe that it also reflects the company's short history (Jinks, 2011; Wynn Resorts, Ltd., 2003, 2004, 2005, 2011a, 2011b).

Environmental Analysis

External – General

Global: Strong

From my perspective, the casino resort business is strongly affected by global issues including globalization, the threat of terrorism, and international conventions and events. Globalization leads more people to travel, while the threat of terrorism affects adversely tourism industry including the casino resorts, making people feel scared about traveling and decreasing the number of travelers. The trends have been shown in the HVS report of Las Vegas casino market in 2011 as followings (Okada, 2011);

- 19.9% of growth rate of visitation led to 20.1% increase in total revenue in 1994
- 10.5% of growth rate of visitation led to 13.6% increase in total revenue in 1999
- 2.3% of the decrease in visitation after the terrorist attack of 9/11 led to a 0.5% decrease in total revenue in 2001
- A steady growth of visitation after the terrorist attack: a 0.2% of the increase in 2002 and a 1.3% increase in 2003
- A slightly increase in total gaming revenue: a 0.0% of changes in 2002, and a 2.6% increase in 2003

With the globalization, more companies try to expand their business worldwide, especially in Asia, and they have generated a large portion of their revenues from this area. Also, the terrorism issues, including safety and security, are considered more important because the large portion of customers travels to casino resort destinations by air (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

As casino resorts provide various non-casino services, international conventions and events play an important role in attracting customers. Holding meetings and conventions benefit casino resorts to increase a mid-week occupancy of rooms and meeting spaces (Okada, 2011).

Environmental: Strong

I believe that environmental issues strongly affect the casino resort industry. First of all, natural disasters, such as earthquakes, tsunamis and hurricanes, and infectious diseases, such as H1N1 and SARS (Severe Acute Respiratory Syndrome), strongly impact the casino resort industry. This issue results in the decrease of the number of foreign travelers because people tend not to travel worldwide when it happens. For example, a recent Japanese earthquake and tsunamis impact on travel industry in both its domestic market and oversee markets. In addition, outbreaks of highly infectious diseases resulted in decrease in the number of visitors in several regions, including Macau (Carlton, 2011; Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Secondly, as the "*going green*" issue has become prevalent, the casino resort industry pays more attention to this issue. Many resorts adopt the eco-friendly system and the green movement. It contributes to the reduction of energy costs, a sustainable building condition, and a good company reputation. In this regard, I believe that the environmental issues can strongly affect the casino resort industry (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011).

Economic: Strong

I believe that every economic factor strongly affect casino resorts because this business relies heavily on people's disposable money. The recession which to begin in late 2007 definitely contributed to a decrease in the number of travelers and its revenues. According to the HVS report, the recession led to lower the number of visitors, occupancy, ADR, and total revenues in Las Vegas as below (Okada, 2011).

Table 4.

The statistics of the Las Vegas visitation, gaming revenues, and lodging

Year	Total Visitors (% change)	Total Revenue (% change)	Room Occupied (% change)	Occupancy	Overall ADR	Overall ADR (% change)
2008	(4.4%)	(9.9%)	(2.1%)	86.0%	119.19	(9.8%)
2009	(3.0%)	(9.8%)	(2.3%)	81.5%	92.93	(22.0%)
2010	2.6%	1.2%	3.2%	81.1%	95.16	2.2%

(Okada, 2011).

In addition, high unemployment rate reduces discretionary consumer spending. The increase in the price of commodity items, such as fuel price, adversely impacts on the tourism. A high fuel price increases the airline fare and decrease the number of passengers. At the same time, the casino resorts consume a large amount of energy, so that this business is sensitive to an increase in energy prices (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

As companies expand their business globally, the fluctuation of the currency rate also affects the company's financial performance because every country transacts with its own currency. In other words, international companies are likely to handle more than one currency, so that companies can benefit or lost some amount money from the fluctuation of the currency (Thompson, Strickland, & Gamble, 2007: Wynn Resorts, Ltd., 2011a).

As credit cards transaction becomes more prevalent in today's business, the collection of the account payable is one of the issues for the casino resorts. The worse the economic condition gets, the harder the account payables are collected (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Demographic: Moderate

I believe that some demographic factors affect the casino resort business. As of 2009, the customers' demographic in the US casino market has shown below.

- The median age of casino visitors is around 47
- The median household income is higher than US population, $59,735
- The category of higher than bachelor's degree shows 27%, and no college is 44%
- White collar workers hold 41%, decreased by 4%, while blue collar workers hold 27%, increasing by 2%, and retired people captured 20%, increasing 5% from 2006 to 2009

Based on the above survey, those over 47 and retired, called baby boomers, are the largest target customers for this industry. Baby Boomers tend to spend more money at casino resorts than the younger generation does. It reflects that the income level and age can affect this industry (Harrah's Entertainment, 2006; Miller & Washington, 2010).

Additionally, due to various resorts services, people began to consider casino resorts for the social respect. People bring their spouse, families, friends, and organized groups for social meeting and vacation. It means that the age level becomes wider despite the restriction of the age under 21 for entering the casino. Because two factors, age and income level, affect the casino business and even age range have shown to be wider, I rank it as moderate (Forgione. 2011; Speakers Platform, n.d.).

Socio-cultural: Strong

Considering the fact that understanding socio-cultural is important to operate the casino resorts, I rank it as strong. First of all, as the image of Las Vegas, the iconic place for casinos, has been changed from a gambling place to a vacation destination, people's perception toward the casino resorts also has been changed. It leads people to consider the casino resorts as their leisure destination (Forgione. 2011; Speakers Platform, n.d.).

Secondly, as more people tend to spend their time experiencing new things, the diversity of product lines in the casino resorts can satisfy these customers. Thirdly, seasonal holidays have great influences on this industry by attracting more families' travelers, so that resorts prepare special promotion packages for these customers. Fourthly, with an increase in the health-conscious people and vegetarians, the resorts should reflect this trend for their business (PR Newswire, 2011b; Ruggless, 2005: Wynn Las Vegas. 2011).

Lastly, from my perspective, it is true that casino resorts take care of various foreigners and also operate its business globally, so that understanding the socio-cultural issues is critical to run its business.

Political/Legal: Strong

I believe that political or legal issues strongly affect the casino resort business because the gaming industry is highly regulated by the government. For example, the casino resorts market in Macau has rapidly grown after the government allowed for several companies to operate casino resorts business in 1999. However, the Macau government still controls this industry by giving the land concession to limited companies. Besides, each region has its own organizations, as noted below, to give appropriate licenses for the casino and to control this business with acts, regulations, and local ordinances (Las Vegas Sands Corp, 2011; MGM Resorts International, 2011: Okada. 2011; Wynn Resorts, Ltd., 2011a).

- Macau: Macau Gaming Authorities
- Las Vegas, Nevada: Nevada Gaming Control Act, Nevada Gaming Commission, Nevada Gaming Control Board, Clark County Liquor and Gaming Licensing Board, etc.
- Pennsylvania: Pennsylvania Gaming Control Board, Pennsylvania Department of Revenue, and the Pennsylvania state police

- Singapore: Singapore Tourism Board and relevant gaming authorities

It means that companies need to obtain proper permits or licenses from the government in order to open casino resorts. Additionally, the changes of these laws and regulations could strongly affect the casino resort business. The Foreign Corrupt Practices Act or other anti-corruption law also regulates the casino business (Las Vegas Sands Corp. 2011; MGM Resorts International, 2011; Wynn Resorts. Ltd., 2011a).

Technological: Moderately strong

With the advance of the technology, more systems have been introduced in this industry, leading more convenience for both customers and companies. The companies use the advanced technology for the security, the management relevant data, and marketing and communication tools. The customers use this technology during the reservation and staying at hotel with various high-tech devices. However, I believe that it does not strongly influence its business because customers do not visit the casino resorts only for experiencing advanced technology. In this regard, I believe that technology moderately affect this industry (Finnegan, 2011; IBIS World, 2011: Lewinski. 2010; Wynn Resorts. Ltd., 2010e).

However, the advanced technology can benefit the casino business more than the resorts business, monitoring patrons and tables, and manufacturing slot/video gaming machines. Thus, I upgrade the influence of the technology to moderately strong (IBIS World, 2011).

External – Industrial

Rivalry: Moderately strong

As the business maturity varies from region to region, the threat of rivalry also shows different aspects: strong in the US market and weak in the Asian market.

In Las Vegas, I believe that the threat of rivalry is strong because of several reasons. First of all, some current companies have gained more power through the mergers and acquisitions:

Harrah's Entertainment and Caesars Entertainment, MGM Resorts and Mandalay Resorts Group, and Harrah's Entertainment and Planet Hollywood Hotel and Casino. Secondly, from the market share standpoints, top three companies occupied nearly 30%. It means that many other companies as well as top three companies aggressively compete with each other to have a better market position. Also, a recent excess room supply gives companies a difficulty to obtain their revenue growth. Due to the mature market of Las Vegas, US companies try to expand their business internationally (Beasley, 2010; Caesars Entertainment. 2011; MGM Resorts International, 2005: Okada, 2011).

On the other hand, in Asia, I believe that the threat of rivalry is weak. As the casino resort business has been growing in this area, the buyers' demand has rapidly increased. There is much opportunity for the company to run this business in that region (Investors.com, 2011; PwC, 2010).

Based on the business maturity of the casino resort industry worldwide, the growth stage, many companies compete with each other to grab a better position in this growing market. However, only several top companies, which are mostly the US companies, held the better position in both the US market and an international market. Thus, I rank the threat of rivalry as moderately strong (Samadi, 2011).

Threat of New Entry: Moderate

Like the threat of rivalry, the threat of new entry shows different aspects based on the region and the business maturity: weak in the US market and strong in the Asian market.

In the Las Vegas market, I think, the threat of new entrants is weak. Because current operating companies show a steady growth, resulting from over room supply, it is difficult for a new company to obtain an attractive profit (IBIS World, 2011; Samadi, 2011).

On the other hand, in the Asian market, I believe that the threat of new entrants is strong.

As I mentioned earlier, the casino business in the Asian market is growing rapidly, so that there are many opportunities to expand the business. It means that the pool of entry candidate is large: domestically or internationally. Also, some fast-movers recorded high revenue growth and rely on much portion of their revenue from the Asian market, especially in Macau and Singapore. This fact is attractive enough for new companies to move their business into this region. Also, it accompanies the increase in the number of the potential customers and demands (Investors.com, 2011; Las Vegas Sands Corp., 2011: Wynn Resorts, Ltd., 2011a).

However, the casino resort is a capital-intense business and the government highly regulates this business. It means that the entry barrier is basically high. Even though the global market itself is growing fast and many newcomers try to penetrate this market, the consideration on the nature of casino resorts as mentioned above leads me to rank it as moderate (PwC, 2010; Wynn Resorts, Ltd., 2011a).

Threat of Suppliers: Moderately weak

I believe that the threat of suppliers is moderately weak. In the resort business, most of items they use are the commodity. It means there are many suppliers, so that the switching costs to alternative suppliers are low. However, in the casino business, there is the limited number of game manufacturers, so that suppliers may have the bargaining power. In this regard, I upgrade its ranking from weak to moderately weak (Cruzino, 2011).

Threat of Buyers: Weak

I rank the threat of buyers as weak. It is true the companies lower their room rates and give customers promotion for shows and restaurants during the recession or off-season. However, companies generally set their price and it is rarely negotiable after the setting the price (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

In addition, customers of the casino resorts, especially people who look for the luxurious casino resorts are not sensitive to the price. These customers think the quality of services as important to select their destination. In this regard, I believe that the threat of buyers for casino resorts is weak.

Substitutes: Moderate

I believe that the substitute of the casino resort is moderate. Considering casinos and resorts business separately, there are many substitutes: casino operators, online gaming, and a horse racing for the casino, and various resorts all over the world, golf resorts, five-star and four-star hotels for the resorts. The pool of the substitutes is large. However, from my perspective, any above substitutes could not give customers the same level of satisfaction like the casino resorts do because customers can have various experience at the same place, visiting casino resorts, while they cannot do with other substitutes.

However, as the cruise casinos have become high rollers to attract the value-sensitive customers recently, I believe that it would be a good substitute for the casino resorts. Thus, I rank it overall as moderate (Cruise Casino. n.d.).

Internal – Tangible

Marketing: Moderately strong

Product: Strong.

Regarding the product of the company, I rank it as strong. Wynn Resorts provides various services as I mentioned earlier. Also, the quality of these services is considered very high and luxurious as the company pursues. The Fortune magazine named Wynn Resorts as the most admired casino operator in 2011: Wynn Resorts ranked high in quality of products and services. Also, the company awarded AAA five-diamond for five years (Green, 2011; Wynn Resorts, Ltd., 2011a).

Place: Moderately weak.

I rank the company's place position as moderately weak. The company has four properties within two areas: Las Vegas and Macau. In terms of the quality of the place, Wynn Resorts operates in the most profitable areas for the casino business. However, in terms of the number of the place, Wynn Resorts has very limited geographic distributions. Considering the fact that the casino resorts have been developed in many areas/countries and the government's deregulation of the casino resorts industry can give companies more chances to expand their business, the company has much potential to expand its business either within the United States or worldwide (Wynn Resorts, Ltd., 2011a).

Promotion: Moderate.

In terms of the promotion of the company, I rank it as moderate. First of all, the company is good at showing up its movement to make an issue. For example, in 2010, the company had an opening event, which was a 10-minutes long firework in Macau to celebrate the opening of Encore at Wynn Macau. However, because the company targets those who look for the high-quality products and services, the company has tried to hold the VIP clients through internal marketing. Wynn Macau has attracted the VIP clients by using gaming promoters (Wynn Resorts, Ltd., 2010c, 2011a).

With regards to the advertising cost, the company has consistently spent certain amount of money, $19 million in 2010. However, the portion of the advertising cost was small and has decreased from 0.67% to 0.45% in 2010. Also, the company showed the decrease in promotional allowances from 8.65% to 7.24%. Thus, I believe that the company's effort for promotion is not very aggressive compared to the company's other activities (Wynn Resorts, Ltd., 2011a).

Price: Strong.

Regarding the price of the company, I say it is strong. As of December 31, 2010, the ADR in Las Vegas and Macau is $210 and $291 respectively. Actually, the ADR of Las Vegas properties significantly dropped during the recession and still do not reach the level of the pre-recession. However, the Macau properties showed the room rate much higher than the rate of pre-recession, $275. Both levels in two areas show still higher than any other companies. Thus, I rank the price position of the company as strong (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Overall: Moderately strong

Based on the above factors, the overall marketing position of the company is said moderately strong. It has shown that the diversity and the quality of products and services along with the price are strong. However, non-aggressive promotion and limited geographical distributions led me to downgrade its marketing position to moderately strong (Wynn Resorts, Ltd., 2011a).

Finance: Moderately strong

For the financial perspective, I rank the company' financial condition as moderately strong because the company has shown an unfavorable solvency position even though the overall financial performance is better that the last year's.

Table 5.

Financial numbers *(Unit: $, million)*

	Year 2010	Year 2009	Dollar change	% changes
Revenue	4,184	3,045	1,139	37.40%
Net Income	316	39	277	709.56%
Profit Margin	7.57%	1.28%		
Total Assets	6,674	7,581	(907)	(11.97%)
Long-term Liabilities	3,405	3,695	(289)	(7.84%)
Total Liabilities	4,293	4,421	(127)	(2.88%)
Total Equity	2,380	3,160	(799)	(24.67%)

(Wynn Resorts, Ltd., 2011a).

Table 6.

Ratios

	Ratios	Year 2010	Year 2009
Profitability	Return on Equity	11.43%	1.64%
	Earnings Per Share (Basic)	1.30	0.17
	Earnings Per Share (Diluted)	1.29	
Liquidity	Operating Cash Flow to current liabilities	1.31	0.82
Activity	Assets turnover	0.59	0.42
Operation	RevPAR (Las Vegas / Macau)	$185 / $256	$185 / $233
Solvency	Solvency Ratio	1.55	1.71
	Long-term Debt to Total Capitalization Ratio	58.86%	53.90%

First of all, the company showed an increase in revenues and net income by 37.4% and 709.56% respectively. It mainly resulted from the increase in revenues of all product lines, especially a 47.5% growth of casino revenue and a 59.06% of increase in Macau operations in

2010. It led to a significant increase in net income, resulting in the growth of profit margin from 1.28% to 7.57%. Besides, the overall company's profitability showed a favorable trend. The company's return on equity significantly increased from 1.64% to 11.43% and EPS also showed a growth from 0.17 to 1.29 (Wynn Resorts. Ltd., 2011a).

Secondly, the company's liquidity, activity, operation position was better compared to last year. Operating cash flow to current liabilities was higher compared to last year and the industry standard, 0.8. Activity ratios also showed a favorable trend compared to last year. While the Las Vegas market showed a stable level of RevPAR, the Macau properties recorded a growth from $233 to $256, which is good (Wynn Resorts, Ltd., 2011a).

However, the company's assets, liabilities, and equity decreased in 2010. While the assets and the equity significantly decreased by 11.97% and 24.67% respectively, liabilities including long-term debt slightly decreased. I believe that the cash distribution paid in 2010 led this decrease trend. Considering the fact that the company invested for the business, I think, it was inevitable to spend its money. However, it also led the company's solvency position to being worse than last year. It is an unfavorable trend to the creditors to lend their money. Thus, I downgraded its ranking from strong to moderately strong (Wynn Resorts. Ltd., 2011a; see appendix A).

Organizational: Moderate

Regarding organizational structures, I rank it as moderate. The effective organizational structure with several subsidiaries, Mr. Wynn's leadership, and experienced senior management teams contribute to the company's good performance and current market position (Hoovers. 2011e; Wynn Resorts. Ltd., 2011a).

However, the lack of a successor to Mr. Wynn will cause the difficulty when Mr. Wynn leaves the company in the future. Also, I believe that a recent change of the president of Wynn Las Vegas and Encore at Wynn Las Vegas may bring some degrees of uncertainty in the near term, no matter how it works for the company in the future. Besides, the power of some large stockholders can adversely affect the company's business. Thus, I believe that Wynn Resorts' organizational position is moderate even though the company benefits from retaining Steve Wynn (Benston, 2011; Wynn Resorts. Ltd., 2011a).

Physical: Strong

I believe that the company's physical condition is strong. First of all, the company has a short history. Considering the opening of the first property, Wynn Las Vegas, in 2005, most of the properties have been within 5 years. Secondly, Wynn Resorts provides places for refreshment outside of the resort building such as a waterfall, a man-made mountain, and a golf course, so that customers can enjoy the nature in the middle of the desert, literally (Wynn Resorts, Ltd., 2011a).

Thirdly, the company renovated some guest rooms in Wynn Las Vegas, spending almost $99 million despite the younger age of the building with custom-made items, Mr. Wynn's extensive art collection, and the high-tech device. Besides, the nightclub and pool were renovated in 2010. Fourthly, Wynn Resorts has received AAA Five Diamond Award, which represents the luxurious and sophisticates characteristics, and extraordinary of the physical attributes, for 5 years (Finnegan. 2011; Wynn Resorts, Ltd., 2010a. 2010d, 2010e).

Partnership: Strong

Wynn Resorts keeps various relationships with other companies, so that I rank its partnership position as strong. The company invested in the 50%-owned joint ventures of the Ferrari and Maserati automobile dealership and the Brioni men's retail store in Wynn Las Vegas.

Wynn Resorts has had the strategic alliance with Societe des Bains de Mer (SBM), the company that has the exclusive rights to operate casinos in the Principality of Monaco since 2003. As a result of it, CEO, Steve Wynn, recently named the chairman and CEO of the new joint venture, Monaco QD International Hotels and Resorts Managements. I believe that this will give the company a chance to expand its business in Europe and the Middle East (Green, 2010b; Wynn Resorts. Ltd., 2004, 2005. 2011a).

As the economic has recovered, the company forms more strategic alliances. Pinnacle Entertainment recently offers a reward program to loyal customers with a three-night stay in Wynn Las Vegas. Through the alliance with casino operator Pinnacle Entertainment Inc., I believe, this will attract more customers to both companies. Also, the company recently entered into the strategic alliance with PokerStars, the world's largest online poker business. The company keeps the good relationship with the production companies in order to provide the longtime entertainment shows (Jinks, 2011; Wynn Resorts, Ltd., 2004, 2011b).

The company makes the relationship with not only companies but also person. Recently, the company began to collaborate with vegan visionary Tal Ronnen in order to introduce the vegan menu and related programs to the Las Vegas properties. (PR Newswire, 2011b).

From my perspective, the company maintains many partnerships for various aspects: marketing, quality services, a product line, geographical distribution, etc. Consequently, the company's active relationships with others lead me to rank as strong.

Technological: Moderate

In terms of the technological position, I believe that it is moderate. Wynn Resorts set up various high-tech devices in the guestrooms for the target customers who look for high-end services. The company uses many kinds of technology for the company operations, handling the customer services and monitoring casino operation areas, etc. Also, the company adopted a new automated profit optimization software and service (Finnegan, 2011; Hospitality Net, 2010; IBIS World, 2011; Wynn Resorts, Ltd., 2010e).

However, I believe that it does not show any different from other companies. Also, the new automated profit optimization software was introduced to other companies, such as MGM Trump Entertainment Resorts, Harrah's Entertainment, Omni Hotels. However, the company is not behind other companies. In this regard, I rank it as moderate (Hospitality Net, 2010).

Internal – Intangible

Human Resources: Moderate

Wynn Resorts basically emphasizes the concept of diversity to provide people with an equal opportunity of work, having Diversity Council and LGBT (lesbian, gay, bisexual or transgender) Focus group. In 2010, the company obtained top score in an Annual Equality Index by the Human Rights Campaign in Washington D.C. Also, the company has educational assistance and employee assistance programs in order to help employees do their best at work. In early 2010, the company recruited almost 400 people as the Encore Beach Club opened. For Macau's business, the company benefits from retaining employees (Finnegan, 2010a; Green, 2010a; Wynn Resorts, Ltd., 2010b, 2011a).

In 2009, the company actually cut the employees' pay by 10~15% instead of the laid-off, maintaining the number of employees. However, the company found that employees had still struggled with their living because of the reduction of working hours and pay. Thus, the company lay off 261 employees and restored working hours for remaining employees in Las Vegas in 2010. Consequently, this led the decrease in total number of employees by 2,495, resulting in total 16,405 of full-time equivalent employees including 7,000 employees in Macau. Meanwhile, the number of employee in Macau has increased by 600 from 6,400 people in 2010 (Finnegan, 2010b; Wynn Resorts, Ltd.. 2011a).

The company has disputed with the tip-sharing policy which requires dealers to share the tips with their immediate supervisors. In addition, the company reached the collective bargaining agreement with the Culinary and Bartender Union in 2006 and the Transportation Workers Union in 2010. This could lead to the increase in the labor cost. The above factors lead me to come up with the moderate position of the company's human resource (Knightly, 2008; Wynn Resorts, Ltd., 2011a).

Innovation: Moderately strong

I believe that the innovation of Wynn Resorts is in a moderately strong position. Wynn Resorts was a late-mover in the casino industry. Nevertheless, Wynn Resorts has consistently looked for an opportunity for expansion, so that the company obtains a good position among other companies (Wynn Resorts, Ltd., 2011a).

From my perspective, Wynn Resorts is very innovative to make the relationship with other companies and to create a new business model: the Ferrari Maserati Automobile dealership in the Wynn Las Vegas, the alliance with online porker PokerStars and Pinnacle Entertainment, and a partnership with vegan visionary Tal Ronnen. Also, the company earned the 20 years land concession from the Macau government in 2002, so that the company generates a large portion of its revenue from this area (Jinks. 2011; PR Newswire. 2011b; Wynn Resorts. Ltd., 2003. 2005. 2011a. 2011b).

As a result, the company has recently ranked high in innovation by the Fortune magazine. Also, Steve Wynn himself is very innovative to operate the casino resorts in Las Vegas, so that many companies followed his steps (Burbank. 2010; Green, 2011; Higgins, 2011; Speakers

Platform, n.d.).

However, from my perspective, the company could not be said very strong in innovation position because some of above issues just began its movement. At the same time, with regards to the land concession in Macau, one of the closest competitors, Las Vegas Sands also obtained it and opened the Venetian Macau first in 2004. In this regard, I rank it as moderately strong (Las Vegas Sands Corp., 2011).

Reputational: Strong

Regarding the reputational, I believe that the company's position is strong. Wynn Resorts has received many awards since it began the business: American Automobile Association's (AAA) Five-diamond Award and Forbes Five-star Award, Forbes Five-star Award regarding the Tower Suites and the Spa in Las Vegas properties, Michelin's highest rating of five red pavilions in 2007, an Annual Equality Index by the Human Rights Campaign in Washington D.C in 2010, and the most admired casino operator in terms of the quality of products and services and innovation in 2011. Wynn Resorts has stuck to its business goal and target market, maintaining its high level of quality even during the recession. From my perspective, it makes people perceive Wynn Resorts as the high-end service properties as the company pursue (Green, 2010a, 2011; Wynn Resorts, Ltd., 2007, 2010a, 2010d, 2011a).

Competitive Advantages

Marketing

Table 7.

Marketing

	Wynn Resorts	Las Vegas Sands	MGM Resorts International
Product	5	4	4
Place	2	5	4
Promotion	3	4	5
Price	5	4	2
Total	15	17	15
Average	3.75	4.25	3.75

Note. Rankings ranged from 1 (*weak*) to 5 (*strong*)

Regarding the breadth of the product, three companies have the same product lines: casinos, rooms, F&B, entertainment, meetings and conventions, and retail outlets and others. However, in terms of the quality, Wynn Resorts is better than its competitors. While Wynn Resorts received AAA five-diamond awards and ranked high in the quality of products and services by Fortune magazine in 2011, other two companies awarded only AAA five and four diamond in some properties. Also, MGM Resorts had a complaint about its services, such as slow check-ins and no working room keys, by TripAdvisor users in 2010. However, considering the sales mix, MGM Resorts diversely generated its revenue from its product lines, while Wynn Resorts and Las Vegas Sands relied largely on casino revenues. It means, I think, MGM Resorts' operation is less risky (Benston, 2010; Green, 2011; Las Vegas Sands Corp., 2011; MGM Resorts International. 2011; Wynn Resorts, Ltd., 2010a. 2011a).

It is clear that two competitors have more benefit from various geographical distributions. Wynn Resorts operates 4 properties in only two areas, Las Vegas and Macau. However, Las

Vegas Sands has 7 properties through Las Vegas, Pennsylvania, Macau, and Singapore. MGM Resorts has 15 owned properties and 4 joint ventures in only US and Macau: 10 properties in Las Vegas, 4 properties in other Nevada, 4 properties in other areas in US – Michigan, Mississippi, and Illinois – and 1 property in Macau. Las Vegas Sands actively expanded its business internationally, so that the company obtains a large portion of revenues from these areas. A recently opened Marina Bay Sands has also recorded strongly favorable outcomes (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

In terms of the promotion, three companies are good at exposing their activity to the public and targeting their VIP customers. However, a recent launching a mobile access site of Las Vegas Sands lead me to rank this company higher than Wynn Resorts. Meanwhile, MGM Resorts implements its promotion efforts more actively. MGM Resorts adopted the mobile marketing program for marketing tool and the loyalty program, M life. Also, through the name change from MGM Mirage to MGM Resorts International, the company shows its intention to expand globally. Regarding the advertising costs and promotional allowances, MGM Resorts spent a larger portion (11.19%) of this cost, compared to Wynn Resorts (7.24%) and Las Vegas Sands (6.78%) (Hotelnewsresource, 2011; Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Stutz, 2010; Wynn Resorts, Ltd.. 2011a).

Regarding the price, Wynn Resorts shows mostly higher than two competitors, even though the price decreased during the recession as shown below. Considering the fact that the portion of the revenue from the Four Seasons Macao is approximately 11%, the average price of Wynn Resorts seems to be still higher. Meanwhile, MGM Resorts did extreme discounts and promotion of its room rate in order to maintain high occupancy (Las Vegas Sand Corp., 2011; MGM Resorts International. 2011; Wynn Resorts, Ltd., 2011a).

Table 8.

ADR of three companies for recent three years

	Year 2010	Year 2009	Year 2008
Wynn Resorts			
Las Vegas	$210	$217	$288
Macau	$291	$266	$275
Las Vegas Sands			
Las Vegas	$191	$195	$232
The Venetian Macao	$213	$205	$226
Sands Macao	$251	$260	$266
Four Seasons Macao	$309	$295	$344
MGM Resorts	$108	$111	$148

(Las Vegas Sand Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Overall, two competitors show a slightly higher marketing position compared to Wynn Resorts. I believe that this result came from limited geographical distributions and no aggressive promotion of Wynn Resorts.

Finance

Table 9.

Finance

	Wynn Resorts		Las Vegas Sands		MGM Resorts International	
	Number	Ranking	Number	Ranking	Number	Ranking
Total Revenues	4,184	3	6,853	5	5,659	4
% Change of Revenue	37.40%	4	50.19%	5	(3.73%)	1
Net Income / Loss	316	3	781	5	(1,437)	1
% Change of Net Income	709.56%	5	311.96%	4	(11.28%)	1
Profit Margin*	7.57%	3	11.40%	4	(25.40%)	1
% Change of Cash Balance	(36.82%) 1,258	4	(38.71%) 3,037	4	(75.73%) 499	2
% of Total Liabilities	64.33%	3	59.92%	4	84.19%	1
% Change of Long-term Debt	(8.46%) 3,264	4	(13.62%) 9,373	5	(7.15%) 12,047	3
Long-term Debt to Total Capitalization Ratio	58.86%	3	55.79%	4	83.07%	1
Solvency Ratio	1.55	3	1.67	4	1.19	2
Operating Cash Flow to Current Liabilities	1.31	5	0.84	4	0.28	2
Total Assets	6,674 (11.97%)	2	21,044 (2.30%)	5	18,961 (15.80%)	3
Assets Turnover*	0.59	4	0.33	2	0.27	1
Return on Assets*	4.44%	5	3.76%	4	-	1
Return on Equity*	11.43%	5	10.51%	4	-	1
RevPAR	185 258	4	173 194/234/ 219	3	96	1
Total		60		66		26
Average		3.75		4.12		1.62

Note. Rankings ranged from 1 (*weak*) to 5 (*strong*)
*Industry median: profit margin = (3.18%), Assets Turnover = 0.4, Return on Assets = (1.26%), Return on Equity = (4.55%) (Hoovers, 2011c).

In the financial point of view, Las Vegas Sands had a stronger position compared to two other companies. While Wynn Resorts showed higher growth rate of net income (709.56%), Las Vegas Sands showed more favorable trends in total revenues ($6,853 million), the revenue growth (50.19%), net income ($781 million), and profit margin (11.40%) as shown above. Especially, the profit margin of Las Vegas Sands was very close to 12~24% of the industry standard and even considering the fact that $374 million of non-controlling expenses reduced the actual net profit of Las Vegas Sands to $497 million, net income and profit margin (5.95%) of Las Vegas Sands still showed higher than Wynn Resorts' (3.83%) in 2010. Meanwhile, MGM Resorts showed a decrease in total revenues, resulting from a decrease in every product line and still recorded the net loss to $1,437 million in 2010 (Las Vegas Sand Corp., 2011; MGM Resorts International. 2011; Wynn Resorts. Ltd., 2011a).

Regarding the cash condition, three companies decrease their cash and cash equivalents in 2010. Wynn Resorts largely spent its cash for cash distributions and Las Vegas Sands spent the cash for the capital expenditure. From my perspective, these companies invested cash for their future business. On the other hand, the decrease in cash in MGM Resorts mainly resulted from the net loss and the company also used its cash for the debt related issues (Las Vegas Sand Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd.. 2011a).

In order to compare the liabilities condition, I evaluated four things: the dependence of the liabilities, % change of the long-term debt, long-term debt to total capitalization ratio, and solvency ratio. It is true that it cannot be said how much debt is good for the company. However, MGM Resorts relied too much on debt, 84.19%. In my point of view, it influenced company's whole negative financial condition. On the other hand, Las Vegas Sands showed the most favorable trend compared to two competitors, in terms of the decrease rate of the long-term debt (13.62%), long-term debt to total capitalization ratio (55.79%), and solvency ratio (1.67). From my perspective, this trend could result from an unfavorable solvency condition of Wynn Resorts in 2010.

Wynn Resorts and Las Vegas Sands' liquidity position is good, while MGM Resorts' is poor: much lower than the industry standard. Actually, the basic size of the total assets of three companies is different as shown above. However, in terms of the assets' utilization, Wynn Resorts showed a better position: the numbers of assets turnover and the return on assets were higher than two competitors as well as the industry medians as shown above. In addition, Wynn Resorts had a higher return on equity than competitors and the industry median, -4.55%. Thus, I believe that Wynn Resorts operates its assets and the equity effectively. Also, Wynn Resorts had a higher RevPAR in Las Vegas as well as Macau, compared to two competitors. In other words, I can say that the operation of Wynn Resorts is better than two competitors (Hoovers, 2011c; Las Vegas Sand Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Overall, Wynn Resorts showed strong in operation and assets utilization, while Las Vegas Sands showed a stronger position in profitability and solvency including managing debt. I believe that Las Vegas Sands would be more favorable to the creditors and investors than any other competitors. It led Las Vegas Sands to have a stronger position in financial performance (see appendix A, B & C).

Management

Table 10.

Management

	Wynn Resorts	Las Vegas Sands	MGM Resorts International
Organizational	3	5	4
Partnership	5	3	5
Technology	3	3	4
Human Resource	3	2	3
Innovation	4	5	2
Reputation	5	2	3
Total	23	20	21
Average	3.83	3.33	3.5

Note. Rankings ranged from 1 (*weak*) to 5 (*strong*)

Regarding the organizational position, I come up with the result that Wynn Resorts has a weaker position than two competitors. Three companies retained the influential person of this industry: Steve Wynn for Wynn Resorts, Sheldon G. Adelson for Las Vegas Sands, and Kirk Kerkorian for MGM Resorts. However, unlike Wynn Resorts, Las Vegas Sands and MGM Resorts also retain a talented president or CEO: Michael Leven in Las Vegas Sands and Jim Murren in MGM Resorts. It means two competitors do not rely heavily on the only one person's leadership. In addition, while Michael Leven in Las Vegas Sands recently signed the 2 year contract, Wynn Resorts changed the president of the Wynn Las Vegas and Encore at Wynn Las Vegas in the late 2010. It makes me think that the organization of Las Vegas Sands is more stable than Wynn Resorts' (Benston, 2011; Jinks, 2010; Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

The company's business direction reflected to form the organization structure. Wynn Resorts had Macau operation as a subsidiary and Las Vegas Sands also added 2 new executives in the management team in Asia. Because MGM Resorts has not fully operated internationally, compared to two other companies, MGM Resorts does not have a separate division for an international market. In addition, MGM Resorts retains a large organization, consisting of 110 key people. From my perspective, it is good because each person's job is clear and detailed, but it takes more time for a decision-making at the same time. Thus, it leads me to rank MGM Resorts lower than Las Vegas Sands (Hoovers. 2011a, 2011b, 2011e; PR Newswire, 2009).

In terms of the partnership, I rank Wynn Resorts and MGM Resorts higher than Las Vegas Sands. Wynn Resorts maintains partnerships with many companies for its various aspects: product line (PokerStars, and Ferrari and Maserati automobile dealership), place (a joint venture of Monaco QD International Hotels and Resorts Managements), marketing (Pinnacle Entertainment), and quality of services (vegan visionary Tal Ronnen). Meanwhile, MGM Resorts concentrated more on the partnership for geographical expansions. I believe that MGM Resorts' partnerships in various areas, such as Macau, Dubai, India, and Vietnam, can accelerate its expansion to an international market. Thus, I rank the partnership of MGM Resorts as same as Wynn Resorts. Even though Las Vegas Sands recently entered into a partnership with IHG (InterContinental Hotel), which could lead a huge impact on the company's business, I believe that it focuses on only marketing aspect (Benston, 2009: Green, 2010b; Jinks, 2011; Las Vegas Sands Corp., 2010b. 2011: MGM Resorts International, 2011; PR Newswire, 2011b, 2011c; Wynn Resorts, Ltd.. 2004, 2005. 2011b).

Even though Wynn Resorts and Las Vegas Sands adopt high-tech for their services, these technologies are not special for their own properties. However, MGM Resorts introduced the most advanced technologies for its newly opened hotel, The Aria Resort and Casino. This leads me to think a gap between MGM Resorts and two other companies, so that I rank the technology of MGM Resorts higher than two competitors (Las Vegas Sands Corp., 2011; Lewinski, 2010; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Regarding the human resources of companies, recent Las Vegas Sands' law suits regarding the failure of management in operating in China leads me to rank a weaker position for the Las Vegas Sands compared to other competitors. However, in terms of the innovation aspects, I ranked Las Vegas Sands as higher than Wynn Resorts because of the first expansion of Macau market and its huge success. Also, MGM Resorts shows innovative in developing the sustainable eco-friendly movement. However, the rest of MGM Resorts' activities have not shown very innovative, so that I rank it lower than Wynn Resorts (Las Vegas Sands Corp., 2011; Las Vegas Sun, 2010; MGM Resorts International, 2011; Sieroty, 2011).

I rank the reputation of Wynn Resorts higher than two competitors. While Wynn Resorts received various awards regarding diverse aspects: quality of products and services, diversity, innovation, etc., MGM Resorts received awards regarding the focused aspect, the sustainability: travel+leisure Global Vision Award and Green Key Eco Award. Meanwhile, Las Vegas Sands suffers from the bribery for its operation in Macau. Also, according to the Fortune Magazine's ranking of the early 2011, Wynn Resorts was named the most admired casino resorts, while two competitors ranked low in their operation (AFP, 2011; Green, 2011; Las Vegas Sun, 2010; PR Newswire, 2010; Wynn Resorts, Ltd., 2011a).

Actually, I eliminated the physical position of each company. I believe that Wynn Resorts shows strong position in this category as I explained earlier. However, two competitors show strong position as well. In terms of the business history and the frequency of renovation, Wynn Resorts positioned higher than two competitors. However, Las Vegas Sands and MGM Resorts focus on an environmental issue. Both companies implement energy-efficient renewable energy technologies and received many related awards. Thus, I rank three companies' physical condition as the same (Finnegan, 2011; Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2010e, 2011a).

Overall

Table 11.

Overall Comparison

	Wynn Resorts	Las Vegas Sands	MGM Resorts International
Marketing	3.75	4.25	3.75
Finance	3.75	4.12	1.62
Management	3.83	3.33	3.5

Note. Rankings ranged from 1 (*weak*) to 5 (*strong*)

According to my overall comparison analysis, I conclude that Wynn Resorts has a stronger position in management due to a strong partnership and good reputation. Even though Wynn Resorts' product and price position is stronger than competitors, the overall marketing position is weaker than competitors because of its limited geographical distribution. In addition, Wynn Resorts' overall financial condition was quite good within recent two years, but Las Vegas Sands showed more favorable trend to the creditors and investors.

Distinctive Competencies

As I mentioned above, Wynn Resorts shows strong in management. Actually, the good reputation contributes to a higher score in this category than competitors. In addition, Wynn Resorts shows a better position than competitors in terms of the product and price. Three companies have the same product lines, but Wynn Resorts consistently provides higher quality of the product to customers than two competitors. Also, Wynn Resorts adheres to the higher price than two other companies. From my perspective, most of Wynn Resorts' distinctive competencies are the categories related to the company's basic goal and mission to provide the superior level of service and a premium experience to customers (as cited in Hannah, 2009; Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts. Ltd., 2011a).

In addition, Wynn Resorts performs more effectively to use the assets than competitors, even though the size of the assets is the smallest. Thus I conclude that reputation, product, price, and assets utilization are the Wynn Resorts' distinctive competencies (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011).

Sustainable Competitive Advantage

Reputation.

From my perspective, the Wynn Resorts' good reputation is rare. As I mentioned earlier, the closest two competitors suffer from a law suit or the financial difficulty, so that it is not easy for these companies to manage their good reputation in these days. Also, from my perspective, even one of the big companies in Las Vegas, Caesars Entertainment, does not have a good reputation as Wynn Resorts does (MGM Resorts International, 2011; PR Newswire, 2011a; Sieroty, 2011).

Considering the fact that the reputation comes from the company's all activities, I believe that it is valuable to the company and not easy for other companies to imitate it as well. Actually, the company's good reputation can attract more people to the company, directly contributing to generating revenues. Besides, it generally takes time and efforts to have a good reputation. I believe that the good reputation is not substitutable to any other business results because the reputation is an intangible reward to the company, so that there is no intangible replacement of the reputation.

Thus, overall, I conclude that Wynn Resorts' strong reputation is a sustainable competitive advantage. However, I also believe that the company's activities can decided how long this reputation would be sustainable, because maintaining the good reputation is very vulnerable and could be damaged at a moment with a very little mistake. Thus, I think that the company should be careful and consistently do their efforts to keep its reputation as sustainable.

Product.

Even though Wynn Resorts shows a better product position than two competitors, I do not believe that it is rare because other companies provide the same product lines and the difference of the quality of services is not big enough for the product to be a sustainable competitive. However, it is obvious that providing various and high quality of products and services is valuable to the company because it matches the company's goal and mission. It means that the company is on the right track as the company purses. Also, I believe that two closest competitors can easily imitate this position because these companies already offer certain level of quality of products and services. Considering the fact that the product itself is the company's core business, providing various and high quality products could not be substitutable to any other business activities (Las Vegas Sands Corp., 2011; MGM Resorts International, 2011; Wynn Resorts, Ltd., 2011a).

Overall, I believe that a strong product position is valuable to the company and non-substitutable for the company's other business activity. However, the difference of the quality of product is small, so that it is not rare and other competitors can catch up on this level in the near future. Thus, I do not believe that the product of Wynn Resorts is a sustainable competitive advantage.

Price.

In terms of the price, I believe that it is not rare. Based on recent three years data, Wynn Resorts showed generally a higher price than other competitors. However, some properties of the competitors, such as Four Seasons Macao, showed a higher price than Wynn Resorts. Thus, I do not think it is rare (Las Vegas Sands Corp., 2011; Wynn Resorts, Ltd., 2011a).

However, from my perspective, keeping a high level of price is valuable to the company because a high price directly generates revenues and relates to customers' perception of the company's value of services. Considering the fact that the price is the value which both customers and the company agree with, I believe that the competitors cannot easily copy the price level as Wynn Resorts has. It will take some time and efforts to reach certain level of price.

The price, especially the room rate, is always dealt with the occupancy rate. Companies consider these relationships important to develop the strategy. Thus, I believe that the price can be substitutable to occupancy rate depending on the external environments and company's strategy. Overall, I conclude that the price is not a sustainable competitive advantage because it is not rare, and can be substitutable to others.

Assets Utilization.

From my perspective, the Wynn Resorts' assets utilization is not rare because the gap with the closest competitors is small. Even though it is valuable to the company because it evaluates the company's operation effectiveness and the efficiency of resources, the small difference from the competitor can make other company copy and other financial functions can be substitutes to this assets utilization. Thus, I do not believe that the assets utilization is a sustainable competitive advantage.

Overall Strategic Position

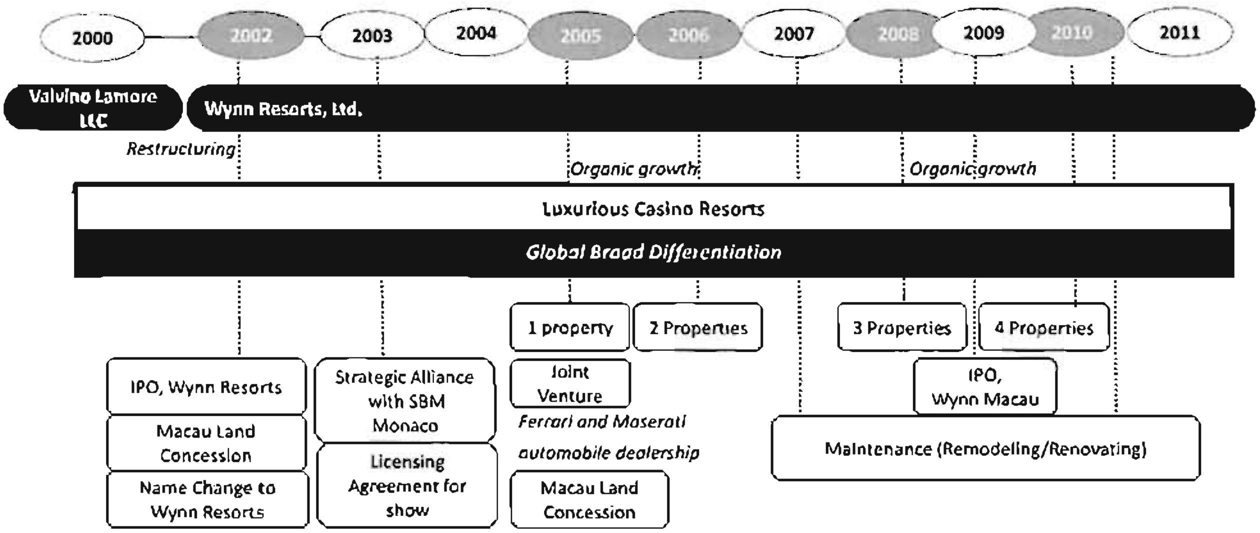
Based on the above analysis, I believe that Wynn Resorts has a strong position in the market. Wynn Resorts has a good reputation and various partnerships. The company is good at providing a diversity of products and a high quality of services to customers. Also, Mr. Wynn and his management team's experience and the capability of innovative movements can lead the company to be a strong market position. The consistently good financial performance supports for the company to have a strong market position as well (Wynn Resort, Ltd., 2011a).

However, the size of the company along with a limited geographical distribution leads that the company cannot have the dominant market position. At the same time, the change of the president of Wynn Las Vegas and Encore at Wynn Las Vegas can give the company an uncertainty in the future business. The lack of the successor of Mr. Wynn and some human resource issues, I believe, can lead an unfavorable condition to the company. These reasons make me believe that Wynn Resorts' position is favorable rather than strong in the market (Benston, 2011: Wynn Resort, Ltd., 2011a).

Strategic History

Figure 1.

Strategic History of Wynn Resorts, Ltd.



The Wynn Resorts' predecessor, Valvino Lamoure, LLC was formed in 2000 and handled an acquisition of land, the design and the development of the new resorts casino hotel project Le Reve. In 2002, through restructuring the organization, Wynn Resorts became the parent company. From the beginning period of its business, Wynn Resorts adopted the broad differentiation strategy, offering the luxurious casino resorts. The company debuted its initial public offering on NASDAQ in 2002 (Wynn Resort, Ltd.. 2003).

At the same time, the company has implemented the global strategy. In 2002, Wynn Resorts obtained the 20-years land concession from the Macau government in order to expand its business in Macau. Meanwhile, the company changed its name from Le Reve to Wynn Resorts, reflecting the company's intention to expand its business internationally with the same level of service as well as the company's efforts to gain the brand awareness, based on the Steve Wynn's achievement in the casino industry and Las Vegas. In 2003, the company had the strategic alliance with Societe des Bains de Mer (SBM) of Monaco for the exchange of the management and the development of their market. Continuously, Wynn Resorts gained two more sub-concessions in Macau, and applied for the Cotai project to the Macau government in 2005. Wynn Macau also debuted its initial public offering on the The Stock Exchange of Hong Kong Limited in 2010 (Wynn Resort, Ltd., 2003, 2004, 2005, 2010).

For the purpose of the quality entertainment, such as Le Reve, the company had the licensing agreement with Calitri Service and Licensing Limited Liability Company in 2003. In addition, as opening Wynn Las Vegas, the company formed a joint venture, Penske-Wynn Ferrari, with United Auto Group to provide Ferrari and Maserati automobile dealership to customers in its resorts. In 2010, Wynn Resorts tried to have the partnership with Philadelphia Entertainment and Development Partners, LP (PEDP), but the company terminated this relationship in the same year (Wynn Resorts, Ltd., 2004, 2005, 2010d, 2010f).

Wynn Resorts continuously opened its casino resorts in Las Vegas and Macau: Wynn Las Vegas in 2005, Wynn Macau in 2006, Encore at Wynn Las Vegas in 2008, and Encore at Wynn Macau in 2010. All properties have the same concept of decoration with the Wynn's signature style and have the same product lines and service level (Wynn Resorts, Ltd, 2011a).

Under the broad differentiation strategy, the company has focused on the maintenance of properties and its services. In other words, the company transformed its functions in an effective way, such as remodeling the Le Reve Theater in 2007, and changing the function of Encore Beach Club and renovating rooms for providing extraordinary experience to customers in 2010. (Finnegan, 2011; Wynn Resorts. Ltd., 2008, 2010d, 2010e).

Overall, the company has expanded its business with the organic growth, adhering to its basic strategy, the global broad and differentiation strategy. Recently, the company also has the strategic alliance with PokerStars and Pinnacle Entertainment. I believe that it will add to the company's product line and marketing benefit (Jinks, 2011; Wynn Resorts, Ltd., 2011b).

Strategic Effectiveness

From the beginning of its business, Wynn Resorts sticks to the global and the broad differentiation strategy. I believe that these strategies work effectively to its business.

First of all, the company shows a continuous growth of revenues and never loses the profit since the opening of its first property (see appendix D. historical financial performance of Wynn Resorts, Ltd.). Even though the luxurious products and services are sensitive to the economic recession, various product lines reduced its business risks, showing the increase of revenues from rooms, F&B, and entertainment, instead of the decrease of the casino revenue in 2009. Also, the company keeps a higher ADR than other competitors and received many awards for its quality services (Wynn Resorts. Ltd., 2011a).

Through adopting the global strategy by obtaining the land concession from the Macau government, the company has shown a good financial performance even during the recession. As the Macau casino market grows rapidly, the company relies more on the Macau operations in the revenues growth: the Macau operation showed 59.62% of its total revenues in 2009 and 69.02% of its total revenues in 2010. I believe that it positively influenced the company's whole performance (Wynn Resorts, Ltd., 2011a).

Under the global strategy, I believe that Wynn Resorts is more likely to consider the local situation because of the nature of the casino business, which is highly regulated by the local government. Thus, Wynn Resorts set up Wynn Macau as a subsidiary and hired local people. In other words, the company operates four properties under the same mission, style, high quality services and accepts local situations for its business on some degrees. I believe that it also works effectively for the global casino business as Wynn Resorts shows a good performance (Wynn

Resorts, Ltd., 2011a).

In addition, the company has mainly adopted the organic growth strategy from the beginning. I believe that this strategy is effective to the company's growth, considering its short history and the capability of the company to retain Mr. Wynn. As a result, I think, Wynn Resorts maintains its own unique style and luxurious brand image. Also, from my perspective, the restructure of Wynn Resorts as the parent company, the name change to Wynn Resorts, and IPO helped the company implement the organic growth, leading the increase in the brand and the customers' awareness and giving the company opportunities to raise more investment in order to expand its business (Wynn Resorts, Ltd., 2003, 2010, 2011a).

Wynn Resorts' consistent transformation of its functions is also effective because I believe that these transformations contribute to increase in non-casino revenues and the higher assets utilization. The joint venture of the Ferrari and Maserati automobile dealership led to generating the revenue as well as providing customers with another special high-end service (Wynn Resorts, Ltd., 2011a).

The company has formed the strategic alliances with several companies. From my perspective, it is important to keep these relationships with the casino company in Monaco, Pinnacle Entertainment, and PokerStars for its business growth, even though Wynn Resorts has not shown visible financial outcomes from these relationships yet. I believe that it should be one of the company's duties how the company cooperates effectively with them and bring the business growth in the future. Especially, when the online poker game has been banned by the government, I think, the company needs to handle the relationship with PokerStars carefully and effectively (Berzon, 2011; Jinks, 2011; Wynn Resorts, Ltd., 2004, 2011b).

Vision (New CEO's Position)

From my perspective, Wynn Resorts is one of the innovative companies and operates its business effectively. The company sensed the growth of the Macau market, so that they expand its business internationally. Also, the company is good at making a new business model and has a great reputation and brand awareness as the luxurious casino resorts, leading a good financial performance. In this regard, I believe that the company should keep its strategies, the global and the broad differentiation, in the future (Wynn Resorts, Ltd., 2011a).

Even though the company has done its business well, I think, the small number of properties and geographical distributions may give the company a limitation to be in the strong position in the market because larger assets may mean larger resources to give the company a potential to grow. In this regard, I believe that Wynn Resorts should aggressively strive to increase revenues and expand its business. For attracting more customers, the company needs to develop the business model and product lines. I believe that the company should continuously invest for the organic growth in order to make its business position stronger. Also, in order to expand its business internationally, it is important to make the strategic partnerships with other related companies in Europe, Asia, and Latin America where the casino business is anticipated to significantly grow, so that the company can penetrate those markets more easily. It will turn one of the company's core competencies, partnership, into a sustainable distinctive competency (Wynn Resorts, Ltd., 2011a).

With today's trends and other competitors' movement, I suggest that the company pay more attention for the green movement and the corporate social responsibility (CSR). I believe that pursuing and executing the green movement and CSR could lead to a better brand image and make its good reputation more sustainable.

Meanwhile, the company recognizes the loss of Mr. Wynn as one of the company's risk. In other words, the company relies too much on Mr. Wynn. In my point of view, the company needs to maximize the value of the brand "Wynn". However, at the same time, I believe that the company definitely needs to find out and train talented people for the stable and strong organization in the long-term (Wynn Resorts, Ltd., 2011a).

In addition, a recent change of the president of Wynn Las Vegas and Encore at Wynn Las Vegas may give the company an uncertainty for doing the business. However, I also believe that it could be a good chance to give the company another view toward this business. If the company focuses more on the marketing efforts through this change and results in the revenue growth, it would be a good movement for its future business success (Benston, 2011).

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Appendices

Appendix A. The Financial data of Wynn Resorts, Ltd.

(Wynn Resorts, Ltd., 2010d, 2011a)

Wynn Resorts, Limited and Subsidiaries

Consolidated Balance Sheets

(Amounts in thousands, except share data)

	December 31,		Changes (2010-2009)		Common size	
	2010	2009	dollar	%	2010	2009
ASSETS						
Current assets:						
Cash and cash equivalents	1,258,499	1,991,830	(733,331)	-36.82%	18.86%	26.27%
Receivables, net	187,464	152,879	34,585	22.62%	2.81%	2.02%
Inventories	86,847	107,005	(20,158)	-18.84%	1.30%	1.41%
Prepaid expenses and other	28,326	31,242	(2,916)	-9.33%	0.42%	0.41%
Total current assets	1,561,136	2,282,956	(721,820)	-31.62%	23.39%	30.11%
Property and equipment, net	4,921,259	5,062,059	(140,800)	-2.78%	73.73%	66.77%
Intangibles, net	40,205	44,659	(4,454)	-9.97%	0.60%	0.59%
Deferred financing costs	61,863	62,227	(364)	-0.58%	0.93%	0.82%
Deposits and other assets	85,802	99,380	(13,578)	-13.66%	1.29%	1.31%
Investment in unconsolidated affiliates	4,232	4,102	130	3.17%	0.06%	0.05%
Deferred income taxes	0	26,386	(26,386)	-100.00%	0.00%	0.35%
Total non-current assets	5,113,361	5,298,813	(185,452)	-3.50%	76.61%	69.89%
Total assets	**6,674,497**	**7,581,769**	**(907,272)**	**-11.97%**	**100.00%**	**100.00%**
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts and construction payable	168,135	135,501	32,634	24.08%	2.52%	1.79%
Current portion of long-term debt	2,675	2,675	0	0.00%	0.04%	0.04%
Current portion of land concession obligation		0	0	#DIV/0!	0.00%	0.00%
Income taxes payable	1,163	1,176	(13)	-1.11%	0.02%	0.02%
Accrued interest	53,999	17,520	36,479	208.21%	0.81%	0.23%
Accrued compensation and benefits	70,834	69,825	1,009	1.45%	1.06%	0.92%
Gaming taxes payable	173,888	100,980	72,908	72.20%	2.61%	1.33%
Other accrued expenses	33,374	26,751	6,623	24.76%	0.50%	0.35%
Customer deposits	368,621	318,755	49,866	15.64%	5.52%	4.20%
Construction retention	12,266	9,546	2,720	28.49%	0.18%	0.13%
Deferred income taxes	2,974	42,856	(39,882)	-93.06%	0.04%	0.57%
Total current liabilities	887,929	725,585	162,344	22.37%	13.30%	9.57%
Long-term debt	3,264,854	3,566,428	(301,574)	-8.46%	48.92%	47.04%
Other long-term liabilities	64,248	120,726	(56,478)	-46.78%	0.96%	1.59%
Deferred income taxes	76,881	0	76,881	#DIV/0!	1.15%	0.00%
Construction retention	0	8,667	(8,667)	-100.00%	0.00%	0.11%
Total long-term	3,405,983	3,695,821	(289,838)	-7.84%	51.03%	48.75%
Total liabilities	4,293,912	4,421,406	(127,494)	-2.88%	64.33%	58.32%
Commitments and contingencies (Note 16)						
Stockholders' equity:						
Preferred stock, par value $0.01; 40,000,000 shares authorized; zero shares issued and outstanding	0	0	0		0.00%	0.00%
Common stock, par value $0.01; 400,000,000 shares authorized; 136,098,410 and 124,817,994 shares issued; 123,293,456 and 112,013,040 shares outstanding	1,374	1,361	13	0.96%	0.02%	0.02%
Treasury stock, at cost; 12,804,954 shares	(1,119,407)	(1,119,407)	0	0.00%	-16.77%	-14.76%
Additional paid-in capital	3,346,050	4,239,497	(893,447)	-21.07%	50.13%	55.92%
Accumulated other comprehensive income	889	2,446	(1,557)	-63.65%	0.01%	0.03%
Accumulated deficit	9,042	(89,559)	98,601	-110.10%	0.14%	-1.18%
Total Wynn Resorts, Limited stockholders' equity	2,237,946	3,034,336	(796,390)	-26.25%	33.53%	40.02%
Noncontrolling interest	142,637	126,025	16,612	13.18%	2.14%	1.66%
Total equity	2,380,585	3,160,363	(779,778)	-24.67%	35.67%	41.68%
Total liabilities and stockholders' equity	**6,674,497**	**7,581,769**	**(907,272)**	**-11.97%**	**100.00%**	**100.00%**

Wynn Resorts, Limited and Subsidiaries

Consolidated Statements of Income

(Amounts in thousands, except per share data)

	Year Ended December 31,		Changes (2010-2009)		Common size	
	2010	2009	dollar	%	2010	2009
Operating revenues:						
Casino	3,245,104	2,206,829	1,038,275	47 05%	72.31%	66 69%
Rooms	400,291	377,520	22,771	6 03%	8.92%	11 41%
Food and beverage	488,108	436,361	51,747	11 86%	10.88%	13.19%
Entertainment, retail and other	354,332	288,432	65,900	22.85%	7.90%	8 72%
Gross revenues	4,487,835	3,309,142	1,178,693	35.62%	100.00%	100.00%
Less: promotional allowances	(303,137)	(263,531)	(39,606)	15.03%	-7.24%	-8.65%
Net revenues	**4,184,698**	**3,045,611**	**1,139,087**	**37.40%**	**100.00%**	**100.00%**
Operating costs and expenses:						
Casino	2,100,050	1,462,346	637,704	43.61%	64.71%	66.26%
Rooms	122,260	109,184	13,076	11.98%	30.54%	28.92%
Food and beverage	272,747	251,192	21,555	8.58%	55.88%	57.57%
Entertainment, retail and other	204,558	166,612	37,946	22.78%	57.73%	57.76%
General and administrative	391,254	366,785	24,469	6.67%	9.35%	12.04%
Provision for doubtful accounts	28,304	13,707	14,597	106.49%	0.68%	0.45%
Pre-opening costs	9,496	1,817	7,679	422.62%	0.23%	0.06%
Depreciation and amortization	405,558	410,547	(4,989)	-1 22%	9.69%	13 48%
Property charges and other	25,219	28,458	(3,239)	-11.38%	0.60%	0.93%
Total operating costs and expenses	3,559,446	2,810,648	748,798	26.64%	85.06%	92.29%
Operating income	625,252	234,963	390,289	166.11%	14.94%	7.71%
Other income (expense):						
Interest income	2,498	1,740	758	43.56%	0.06%	0.06%
Interest expense, net of capitalized interest	(222,863)	(211,385)	(11,478)	5.43%	-5.33%	-6.94%
Decrease in swap fair value	(880)	(2,258)	1,378	-61.03%	-0.02%	-0.07%
Gain (loss) from extinguishment of debt	(67,990)	18,734	(86,724)	-462.92%	-1.62%	0.62%
Equity in income from unconsolidated affiliates	801	121	680	561 98%	0.02%	0.00%
Other	225	191	34	17.80%	0.01%	0.01%
Other income (expense), net	(288,209)	(192,857)	(95,352)	49.44%	-6.89%	-6 33%
Income before income taxes	337,043	42,106	294,937	700.46%	8.05%	1 38%
(Provision) benefit for income taxes	(20,447)	(2,999)	(17,448)	581 79%	-0.49%	-0 10%
Net income	**316,596**	**39,107**	**277,489**	**709.56%**	**7.57%**	**1.28%**
Less: Net income attributable to noncontrolling interests	(156,469)	(18,453)	(138,016)	747.93%	-3.74%	-0.61%
Net income attributable to Wynn Resorts, Limited	160,127	20,654	139,473	675.28%	3.83%	0.68%
Basic and diluted income per common share:						
Net income attributable to Wynn Resorts, Limited:						
Basic	1.30	0.17	1.13	664.71%	0.00%	0.00%
Diluted	1.29	0.17	1.12	658.82%	0.00%	0.00%
Weighted average common shares outstanding:						
Basic	122,787	119,840	2,947	2.46%	2.93%	3.93%
Diluted	123,939	120,185	3,754	3 12%	2.96%	3.95%
Dividends declared per common share:	8 50	4.00	0.17			

Wynn Resorts, Limited and Subsidiaries

Consolidated Statements of Cash Flows

(Amounts in thousands)

	Year Ended December 31,		Changes (2009-2010)		Common size	
	2010	2009	dollar	%	2010	2009
Cash flows from operating activities:						
Net income	316,596	39,107	277,489	709.56%	29.94%	6.58%
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation and amortization	405,558	410,547	(4,989)	-1.22%		
Deferred income taxes	18,875	(656)	19,531	-2977.29%		
Stock-based compensation	27,168	24,336	2,832	11.64%		
Excess tax benefits from stock-based compensation	(9,833)	(44,909)	35,076	-78.10%		
Amortization and write-offs of deferred financing costs, and other	24,342	26,160	(1,818)	-6.95%		
(Gain) loss on extinguishment of debt	62,608	(18,734)	81,342	-434.19%		
Provision for doubtful accounts	28,304	13,707	14,597	106.49%		
Property charges and other	10,270	28,458	(18,188)	-63.91%		
Equity in income of unconsolidated affiliates, net of distributions	(130)	594	(724)	-121.89%		
Decrease in swap fair value	880	2,258	(1,378)	-61.03%		
sub-total	*568,042*	*441,761*	*126,281*	*28.59%*	53.73%	74.38%
Increase (decrease) in cash from changes in:						
Receivables, net	(63,073)	(41,416)	(21,657)	52.29%		
Inventories and prepaid expenses and other	22,169	3,265	18,904	578.99%		
Accounts payable and accrued expenses	213,578	151,239	62,339	41.22%		
sub-total	*172,674*	*113,088*	*59,586*	*52.69%*	16.33%	19.04%
Net cash provided by operating activities	1,057,312	593,956	463,356	78.01%	100.00%	100.00%
Cash flows from investing activities:						
Capital expenditures, net of construction payables and retention	(283,828)	(540,929)	257,101	-47.53%		
Restricted cash	0	0	0	#DIV/0!		
Deposits and purchase of other assets	(13,034)	(11,258)	(1,776)	15.78%		
Proceeds from sale of equipment	739	1,107	(368)	-33.24%		
Net cash used in investing activities	(296,123)	(551,080)	254,957	-46.26%		
Cash flows from financing activities:						
Proceeds from exercise of stock options	66,186	6,347	59,839	942.79%		
Excess tax benefits from stock-based compensation	9,833	44,909	(35,076)	-78.10%		
Proceeds from issuance of common stock		202,145	(202,145)	-100.00%		
Proceeds from Wynn Macau, Ltd IPO		1,869,653	(1,869,653)	-100.00%		
Cash distributions	(1,192,138)	(489,876)	(702,262)	143.36%		
Proceeds from issuance of long-term debt	2,246,361	1,151,781	1,094,580	95.03%		
Principal payments on long-term debt	(2,551,561)	(1,799,040)	(752,521)	41.83%		
Repurchase of Wynn Las Vegas First Mortgage Notes	0	(50,048)	50,048	-100.00%		
Cash restricted for stock repurchases	0	0	0	#DIV/0!		
Purchase of treasury stock	0	0	0	#DIV/0!		
Interest rate swap transactions	0	(9,561)	9,561	-100.00%		
Payments on long-term land concession obligation	0	(6,065)	6,065	-100.00%		
Payment of deferred financing costs and other	(71,317)	(104,730)	33,413	-31.90%		
Net cash provided by financing activities	(1,492,636)	815,515	(2,308,151)	-283.03%		
Effect of exchange rate on cash	(1,884)	(465)	(1,419)	305.16%		
Cash and cash equivalents:						
Increase (decrease) in cash and cash equivalents	(733,331)	857,926	(1,591,257)	-185.48%		
Balance, beginning of period	1,991,830	1,133,904	857,926	75.66%		
Balance, end of period	1,258,499	1,991,830	(733,331)	-36.82%		
Supplemental cash flow disclosures:						
Cash paid for interest, net of amounts capitalized	171,663	209,093	(37,430)	-17.90%		
Change in Property and Equipment included in Accounts and Construction Pa	(27,670)	(181,366)	153,696	-84.74%		
Cash paid for income taxes	1,019	2,894	(1,875)	-64.79%		
Stock-based compensation capitalized into construction in progress	617	585	32	5.47%		
Liability of cash distributions declared on non-vested stock	6,703	3,556	3,147	88.50%		

Wynn Resorts, Limited and Subsidiaries

Ratios

	Ratios	Year 2010	Year 2009	Year 2008
Liquidity	Current Ratio	1.76	3.15	1.95
	Acid-test Ratio	1.63	2.96	1.74
	Operating Cash Flow to current liabilities	1.31	0.82	0.80
	Account Receivables Turnover	24.59 (14days)	21.90 (16days)	19.64 (18days)
Solvency	Working Capital	673,207	1,557,371	687,334
	Solvency Ratio	1.55	1.71	1.31
	Debt-Equity Ratio	1.80	1.40	3.22
	Long-term Debt to Total Capitalization Ratio	58.86%	53.90%	73.45%
	# of Times Interest Earned Ratio	2.52	1.21	1.99
	Fixed Charge Coverage Ratio	2.37	1.19	1.89
	Operating Cash Flow to Total Liability Ratio	24.26%	12.41%	11.01%
Activity	Inventory Turnover	27.85 (13days)	17.45 (20days)	19.96 (18days)
	Fixed Assets Turnover	0.84	0.60	0.66
	Assets Turnover	0.59	0.42	0.46
	Occupancy Rate (Las Vegas)	88.0%	85.2%	91.8%
	Occupancy Rate (Macau)	87.8%	87.5%	87.3%
Profitability	Profit Margin	7.57%	1.28%	7.05%
	Operating Efficiency Ratio	14.94%	7.71%	10.45%
	EBITDA Ratio	23.13%	21.86%	20.29%
	Return on Assets	4.44%	0.55%	3.22%
	Gross Return on Assets	7.89%	3.56%	5.26%
	Return on Equity	11.43%	1.64%	11.86%
	Earnings Per Share (Basic)	1.30	0.17	1.94
	Earnings Per Share (Diluted)	1.29		1.92
	Price Earnings Ratio	79.88	342.53	21.78
	Market Value to Book Value	5.41	2.21	2.86

Operation	Sales Mix (Casino)	72.31%	66.69%	70.30%
	Sales Mix (Room)	8.92%	11.41%	10.15%
	Sales Mix (F&B)	10.88%	13.19%	11.15%
	Sales Mix (Entertainment & others)	7.90%	8.72%	8.39%
	ADR (Las Vegas)	$210	$217	$288
	ADR (Macau)	$291	$266	$275
	RevPAR (Las Vegas)	$185	$185	$265
	RevPAR (Macau)	$256	$233	$240
	F&B Cost %	55.88%	57.56%	57.78%

Appendix B. The Financial data of Las Vegas Sands Corp.

(Las Vegas Sands Corp., 2010a, 2011)

Las Vegas Sands Corp. and Subsidiaries

Consolidated Balance Sheets

(Amount in thousands, except share data)

	December 31,		Changes (2009~2010)		Common size	
	2010	2009	dollar	%	2010	2009
ASSETS						
Current assets						
Cash and cash equivalents	3,037,061	4,955,416	(1,918,335)	-38.71%	14.43%	24.09%
Restricted cash and cash equivalents	164,315	118,641	45,674	38.50%	0.78%	0.58%
Accounts receivable, net	716,919	460,766	256,153	55.59%	3.41%	2.24%
Inventories	32,260	27,073	5,187	19.16%	0.15%	0.13%
Deferred income taxes, net	61,606	26,442	35,164	132.99%	0.29%	0.13%
Prepaid expenses and other	46,726	35,336	11,390	32.23%	0.22%	0.17%
Total current assets	4,058,907	5,623,674	(1,564,767)	-27.82%	19.29%	27.34%
Property and equipment, net	14,502,197	13,351,271	1,150,926	8.62%	68.91%	64.90%
Deferred financing costs, net	155,378	138,454	16,924	12.22%	0.74%	0.67%
Restricted cash and cash equivalents	645,605	0	645,605		3.07%	0.00%
Deferred income taxes, net	10,423	22,219	(11,796)	-53.09%	0.05%	0.11%
Leasehold interests in land, net	1,398,840	1,209,820	189,020	15.62%	6.65%	5.88%
Intangible assets, net	89,805	50,129	39,676	79.15%	0.43%	0.24%
Other assets, net	183,153	176,539	6,614	3.75%	0.87%	0.86%
Total non-current assets	*16,985,401*	*14,948,432*	*2,036,969*	*13.63%*	*80.71%*	*72.66%*
Total assets	**21,044,308**	**20,572,106**	**472,202**	**2.30%**	**100.00%**	**100.00%**
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable	113,505	82,695	30,810	37.26%	0.54%	0.40%
Construction payables	516,981	778,771	(261,790)	-33.62%	2.46%	3.79%
Accrued interest payable	42,625	18,332	24,293	132.52%	0.20%	0.09%
Other accrued liabilities	1,160,234	786,192	374,042	47.58%	5.51%	3.82%
Current maturities of long-term debt	767,068	173,315	593,753	342.59%	3.65%	0.84%
Total current liabilities	2,600,413	1,839,305	761,108	41.38%	12.36%	8.94%
Other long-term liabilities	78,240	81,959	(3,719)	-4.54%	0.37%	0.40%
Deferred income taxes	115,219	0	115,219		0.55%	0.00%
Deferred proceeds from sale of The Shoppes at The Palazzo	243,928	243,928	0	0.00%	1.16%	1.19%
Deferred gain on sale of The Grand Canal Shoppes	50,808	54,272	(3,464)	-6.38%	0.24%	0.26%
Deferred rent from mall transactions	147,378	149,074	(1,696)	-1.14%	0.70%	0.72%
Long-term debt	9,373,755	10,852,147	(1,478,392)	-13.62%	44.54%	52.75%
Total long-term liabilities	*10,009,328*	*11,381,380*	*(1,372,052)*	*-12.06%*	*47.56%*	*55.32%*
Total liabilities	12,609,741	13,220,685	(610,944)	-4.62%	59.92%	64.27%
Preferred stock, $0.001 par value, issued to Principal Stockholder's family, 5,250,000 shares issued and outstanding, after allocation of fair value of attached warrants, aggregate redemption/liquidation value of $577,500 (Note 10)	503,379	410,834	92,545	22.53%	2.39%	2.00%
Commitments and contingencies (Note 14)						
Equity:						
Preferred stock, $0.001 par value, 50,000,000 shares authorized, 3,614,923 and 4,089,999 shares issued and outstanding with warrants to purchase up to 22,663,212 and 68,166,786 shares of common stock	207,356	234,607	(27,251)	-11.62%	0.99%	1.14%
Common stock, $0.001 par value, 1,000,000,000 shares authorized, 707,507,982 and 660,322,749 shares issued and outstanding	708	660	48	7.27%	0.00%	0.00%
Capital in excess of par value	5,444,705	5,114,851	329,854	6.45%	25.87%	24.86%
Accumulated other comprehensive income	129,519	26,748	102,771	384.22%	0.62%	0.13%
Retained earnings	880,703	473,833	406,870	85.87%	4.18%	2.30%
Total Las Vegas Sands Corp. stockholders' equity	6,662,991	5,850,699	812,292	13.88%	31.66%	28.44%
Noncontrolling interests	1,268,197	1,089,888	178,309	16.36%	6.03%	5.30%
Total equity	7,931,188	6,940,587	990,601	14.27%	37.69%	33.74%
Total liabilities and equity	**21,044,308**	**20,572,106**	**472,202**	**2.30%**	**100.00%**	**100.00%**

Las Vegas Sands Corp. and Subsidiaries

Consolidated Statements of Operations

(Amount in thousands, except share and per share data)

	Year Ended December 31,		Changes (2009~2010)		Common size	
	2010	2009	dollar	%	2010	2009
Revenues:						
Casino	5,533,088	3,524,798	2,008,290	56.98%	80.74%	77.25%
Rooms	797,499	657,783	139,716	21.24%	11.64%	14.42%
Food and beverage	446,558	327,699	118,859	36.27%	6.52%	7.18%
Convention, retail and other	540,792	419,164	121,628	29.02%	7.89%	9.19%
Total gross revenue	*7,317,937*	*4,929,444*	*2,388,493*	*48.45%*	*106.78%*	*108.03%*
Less — promotional allowances	(464,755)	(366,339)	(98,416)	26.86%	-6.78%	-8.03%
Net revenues	**6,853,182**	**4,563,105**	**2,290,077**	**50.19%**	**100.00%**	**100.00%**
Operating expenses:						
Casino	3,249,227	2,349,422	899,805	38.30%	58.72%	66.65%
Rooms	143,326	121,097	22,229	18.36%	17.97%	18.41%
Food and beverage	207,956	165,977	41,979	25.29%	46.57%	50.65%
Convention, retail and other	274,678	240,377	34,301	14.27%	50.79%	57.35%
Total direct cost	*3,875,187*	*2,876,873*	*998,314*	*34.70%*	*56.55%*	*63.05%*
Provision for doubtful accounts	97,762	103,802	(6,040)	-5.82%	1.43%	2.27%
General and administrative	683,298	526,199	157,099	29.86%	9.97%	11.53%
Corporate expense	108,848	132,098	(23,250)	-17.60%	1.59%	2.89%
Rental expense	41,302	29,899	11,403	38.14%	0.60%	0.66%
Pre-opening expense	114,833	157,731	(42,898)	-27.20%	1.68%	3.46%
Development expense	1,783	533	1,250	234.52%	0.03%	0.01%
Depreciation and amortization	694,971	586,041	108,930	18.59%	10.14%	12.84%
Impairment loss	16,057	169,468	(153,411)	-90.53%	0.23%	3.71%
Loss on disposal of assets	38,555	9,201	29,354	319.03%	0.56%	0.20%
sub-total	*1,797,409*	*1,714,972*	*82,437*	*4.81%*	*26.23%*	*37.58%*
operating expense total	*5,672,596*	*4,591,845*	*1,080,751*	*23.54%*	*82.77%*	*100.63%*
Operating income (loss)	1,180,586	(28,740)	1,209,326	-4207.81%	17.23%	-0.63%
Other income (expense):						
Interest income	8,947	11,122	(2,175)	-19.56%	0.13%	0.24%
Interest expense, net of amounts capitalized	(306,813)	(321,870)	15,057	-4.68%	-4.48%	-7.05%
Other income (expense)	(8,260)	(9,891)	1,631	-16.49%	-0.12%	-0.22%
Loss on modification or early retirement of debt	(18,555)	(23,248)	4,693	-20.19%	-0.27%	-0.51%
sub-total	*(324,681)*	*(343,887)*	*19,206*	*-5.58%*	*-4.74%*	*-7.54%*
Income (loss) before income taxes	855,905	(372,627)	1,228,532	-329.69%	12.49%	-8.17%
Income tax benefit (expense)	(74,302)	3,884	(78,186)	-2013.03%	-1.08%	0.09%
Net Income (loss)	**781,603**	**(368,743)**	**1,150,346**	**-311.96%**	**11.40%**	**-8.08%**
Net (income) loss attributable to noncontrolling interests	(182,209)	14,264	(196,473)	-1377.40%	-2.66%	0.31%
Net income (loss) attributable to Las Vegas Sands Corp	599,394	(354,479)	953,873	-269.09%	8.75%	-7.77%
Preferred stock dividends	(92,807)	(93,026)	219	-0.24%	-1.35%	-2.04%
Accretion to redemption value of preferred stock issued to Principal Stockholder's family	(92,545)	(92,545)	0	0.00%	-1.35%	-2.03%
Preferred stock inducement premium	(6,579)	0	(6,579)	#DIV/0!	-0.10%	0.00%
Net income (loss) attributable to common stockholders	407,463	(540,050)	947,513	-175.45%	5.95%	-11.84%

Las Vegas Sands Corp. and Subsidiaries

Consolidated Statements of Cash Flows

(Amount in thousands)

	Year Ended December 31, 2010	Year Ended December 31, 2009	Changes (2009-2010) dollar	Changes (2009-2010) %	Common size 2010	Common size 2009
Cash flows from operating activities:						
Net income (loss)	781,603	(368,743)	1,150,346	-311.96%	41.79%	-57.74%
Adjustments to reconcile net income (loss) to net cash generated from operating activities:						
Depreciation and amortization	694,971	586,041	108,930	18.59%		
Amortization of leasehold interests in land included in rental expense	41,302	27,011	14,291	52.91%		
Amortization of deferred financing costs and original issue discount	41,594	30,015	11,579	38.58%		
Amortization of deferred gain and rent	(5,180)	(5,181)	1	-0.02%		
Deferred rent from mall transaction	0	0	0			
Loss on modification or early retirement of debt	3,756	23,248	(19,492)	-83.84%		
Impairment and loss on disposal of assets	54,012	178,669	(124,657)	-69.43%		
Stock-based compensation expense	58,021	45,545	12,476	27.39%		
Provision for doubtful accounts	97,762	103,802	(6,040)	-5.82%		
Foreign exchange (gain) loss	6,819	(499)	7,318	-1466.53%		
Excess tax benefits from stock-based compensation	0	0	0			
Deferred income taxes	99,536	(1,339)	100,875	-7533.61%		
Non-cash legal settlement included in corporate expense	0	30,000	(30,000)	-100.00%		
Non-cash contribution from Principal Stockholder included in corporate	412	519	(107)	-20.62%		
sub-total	*1,093,625*	*1,017,851*	*75,774*	*7.44%*	*58.48%*	*159.38%*
Changes in operating assets and liabilities:						
Accounts receivable	(332,924)	(178,746)	(154,178)	88.26%		
Inventories	(4,941)	1,759	(6,700)	-380.90%		
Prepaid expenses and other	(17,024)	41,994	(59,018)	-140.54%		
Leasehold interests in land	(50,810)	(117,314)	66,504	-56.69%		
Accounts payable	29,270	11,388	17,882	157.02%		
Accrued interest payable	23,091	3,257	19,834	608.97%		
Other accrued liabilities	348,261	227,167	121,094	53.31%		
sub-total	*(5,077)*	*(10,495)*	*5,418*	*-51.62%*	*-0.27%*	*-1.64%*
Net cash generated from operating activities	1,870,151	638,613	1,231,538	192.85%	100.00%	100.00%
Cash flows from investing activities						
Change in restricted cash and cash equivalents	(688,266)	78,630	(766,896)	-975.32%		
Capital expenditures	(2,023,961)	(2,092,896)	68,915	-3.29%		
Proceeds from disposal of property and equipment	49,735	4,203	45,532	1083.32%		
Purchases of investments	(173,774)	0	(173,774)			
Proceeds from investments	173,774	0	173,774			
Acquisition of intangible assets	(45,303)	0	(45,303)			
Net cash used in investing activities	(2,707,815)	(2,010,063)	(697,752)	34.71%		
Cash flows from financing activities						
Proceeds from exercise of stock options	16,455	51	16,404	32164.71%		
Proceeds from exercise of warrants	225,514	0	225,514			
Excess tax benefits from stock-based compensation	0	0	0			
Proceeds from sale of and contribution from noncontrolling interest, net of transaction costs	0	2,386,428	(2,386,428)	-100.00%		
Dividends paid to preferred stockholders	(93,400)	(94,697)	1,297	-1.37%		
Proceeds from common stock issued, net of transaction costs	0	0	0			
Proceeds from convertible senior notes from Principal Stockholder's family	0	0	0			
Proceeds from preferred stock and warrants issued to Principal Stockholder's family, net of transaction costs	0	0	0			
Proceeds from preferred stock and warrants issued, net of transaction costs	0	0	0			
Proceeds from long-term debt (Note 9)	1,397,293	1,831,528	(434,235)	-23.71%		
Repayments of long-term debt (Note 9)	(2,600,875)	(776,972)	(1,823,903)	234.75%		
Proceeds from sale of The Shoppes at The Palazzo	0	0	0			
Payments of preferred stock inducement premium	(6,579)	0	(6,579)			
Payments of deferred financing costs	(65,965)	(40,365)	(25,600)	63.42%		
Net cash generated from (used in) financing activities	(1,127,557)	3,305,973	(4,433,530)	-134.11%		
Effect of exchange rate on cash	46,886	(17,270)	64,156	-371.49%		
Increase (decrease) in cash and cash equivalents	(1,918,335)	1,917,253	(3,835,588)	-200.06%		
Cash and cash equivalents at beginning of year	4,955,416	3,038,163	1,917,253	63.11%		
Cash and cash equivalents at end of year	3,037,081	4,955,416	(1,918,335)	-38.71%		

Las Vegas Sands Corp. and Subsidiaries

Ratios

	Ratios	Year 2010	Year 2009
Liquidity	Current Ratio	1.56	3.06
	Acid-test Ratio	1.51	3.01
	Operating Cash Flow to current liabilities	0.84	0.38
	Account Receivables Turnover	11.64 (32 days)	10.79 (34 days)
Solvency	Working Capital	1,458,494	3,784,369
	Solvency Ratio	1.67	1.56
	Debt-Equity Ratio	1.59	1.90
	Long-term Debt to Total Capitalization Ratio	55.79%	62.12%
	# of Times Interest Earned Ratio	1.82	N/A
	Fixed Charge Coverage Ratio	1.73	N/A
	Operating Cash Flow to Total Liability Ratio	14.48%	4.99%
Activity	Inventory Turnover	130.63 (3 days)	102.91 (4 days)
	Fixed Assets Turnover	0.49	0.36
	Assets Turnover	0.33	0.24
Profitability	Profit Margin	11.40%	-8.08%
	Operating Efficiency Ratio	17.23%	-0.63%
	EBITDA Ratio	27.24%	11.97%
	Return on Assets	3.76%	N/A
	Gross Return on Assets	2.68%	N/A
	Return on Equity	10.51%	N/A
	Earnings Per Share (Basic)	0.61	-0.82
	Earnings Per Share (Diluted)	0.51	-0.82
	Price Earnings Ratio	90.10	N/A
	Market Value to Book Value	4.59	1.41

Operation	Sales Mix (Casino)	80.74%	77.25%
	Sales Mix (Room)	11.64%	14.42%
	Sales Mix (F&B)	6.52%	7.18%
	Sales Mix (Convention, retail and other)	7.89%	9.19%
	F&B Cost %	46.57%	50.65%

Las Vegas Sands Corp. and Subsidiaries

Occupancy, ADR, and RevPAR

		2010	2009
The Venetian Macao			
	ADR	$213	$205
	Occupancy	90.90%	83.60%
	RevPAR	$194	$171
Sands Macao			
	ADR	$215	$260
	Occupancy	93.20%	97.70%
	RevPAR	$234	$254
Four Seasons Macao			
	ADR	$309	$295
	Occupancy	70.80%	52.30%
	RevPAR	$219	$154
Las Vegas Operating Properties			
	ADR	$191	$195
	Occupancy	90.70%	87.40%
	RevPAR	$173	$170
Singapore Marina Bay Sands			
	ADR	$250	-
	Occupancy	73.40%	-
	RevPAR	$184	-

Appendix C. The Financial data of MGM Resorts International

(MGM Resorts International, 2010, 2011)

MGM Resorts International and Subsidiaries

Consolidated Balance Sheets

(Amount in thousands, except share data)

	At December 31,		Changes (2009~2010)		Common size	
	2010	2009	dollar	%	2010	2009
ASSETS						
Current assets						
Cash and cash equivalents	498,964	2,056,207	(1,557,243)	-75.73%	2.63%	9.13%
Accounts receivable, net	321,894	368,474	(46,580)	-12.64%	1.70%	1.64%
Inventories	96,392	101,809	(5,417)	-5.32%	0.51%	0.45%
Income tax receivable	175,982	384,555	(208,573)	-54.24%	0.93%	1.71%
Deferred income taxes	110,092	38,487	71,605	186.05%	0.58%	0.17%
Prepaid expenses and other	252,321	103,969	148,352	142.69%	1.33%	0.46%
Total current assets	1,455,645	3,053,501	(1,597,856)	-52.33%	7.68%	13.56%
Property and equipment, net	14,554,350	15,069,952	(515,602)	-3.42%	76.76%	66.92%
Other assets						
Investments in and advances to unconsolidated affiliates	1,923,155	3,611,799	(1,688,644)	-46.75%	10.14%	16.04%
Goodwill	86,353	86,353	0	0.00%	0.46%	0.38%
Other intangible assets, net	342,804	344,253	(1,449)	-0.42%	1.81%	1.53%
Other long-term assets, net	598,738	352,352	246,386	69.93%	3.16%	1.56%
Total other assets	2,951,050	4,394,757	(1,443,707)	-32.85%	15.56%	19.52%
	18,961,045	22,518,210	(3,557,165)	-15.80%	100.00%	100.00%
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities						
Accounts payable	167,084	173,719	(6,635)	-3.82%	0.88%	0.77%
Current portion of long-term debt	0	1,079,824	(1,079,824)	-100.00%	0.00%	4.80%
Accrued interest on long-term debt	211,914	206,357	5,557	2.69%	1.12%	0.92%
Other accrued liabilities	867,223	923,701	(56,478)	-6.11%	4.57%	4.10%
Total current liabilities	1,246,221	2,383,601	(1,137,380)	-47.72%	6.57%	10.59%
Deferred income taxes	2,469,333	3,031,303	(561,970)	-18.54%	13.02%	13.46%
Long-term debt	12,047,698	12,976,037	(928,339)	-7.15%	63.54%	57.62%
Other long-term obligations	199,248	256,837	(57,589)	-22.42%	1.05%	1.14%
Total long-term liabilities	*14,716,279*	*16,264,177*	*(1,547,898)*	*-9.52%*	*77.61%*	*72.23%*
Total liabilities	*15,962,500*	*18,647,778*	*(2,685,278)*	*-14.40%*	*84.19%*	*82.81%*
Commitments and contingencies (Note 10)						
Stockholders' equity						
Common stock, $.01 par value: authorized 600,000,000 shares; issued and outstanding 488,513,351 and 441,222,251 shares	4,885	4,412	473	10.72%	0.03%	0.02%
Capital in excess of par value	4,060,826	3,497,425	563,401	16.11%	21.42%	15.53%
Retained earnings (accumulated deficit)	(1,066,865)	370,532	(1,437,397)	-387.93%	-5.63%	1.65%
Accumulated other comprehensive loss	(301)	(1,937)	1,636	-84.46%	0.00%	-0.01%
Total stockholders' equity	2,998,545	3,870,432	(871,887)	-22.53%	15.81%	17.19%
	18,961,045	22,518,210	(3,557,165)	-15.80%	100.00%	100.00%

MGM Resorts International and Subsidiaries

Consolidated Statements of Operations

(Amount in thousands, except per share data)

	Year Ended December 31.		Changes (2009~2010)		Common size	
	2010	2009	dollar	%	2010	2009
Revenues						
Casino	$2,442,927	$2.618.060	($175.133)	-6.69%	38.82%	40.00%
Rooms	1,300,287	1.370.135	($69,848)	-5.10%	20.66%	20.93%
Food and beverage	1,339,174	1,362,325	($23.151)	-1.70%	21.28%	20.82%
Entertainment	486.319	493,799	($7,480)	-1.51%	7.73%	7.54%
Retail	194,891	207,260	($12,369)	-5.97%	3.10%	3.17%
Other	529.693	493,324	$36,369	7.37%	8.42%	7.54%
	$6,293,291	$6,544,903	($251,612)	-3.84%	100.00%	100.00%
Less: Promotional allowances	-633,528	-665,693	$32,165	-4.83%	-11.19%	-11.32%
	$5,659,763	**$5,879,210**	**($219,447)**	**-3.73%**	**100.00%**	**100.00%**
Reimbursed costs	359,470	99,379	$260,091	261.72%		
	6,019,233	5,978,589	$40,644	0.68%		
Expenses						
Casino	1,385,763	1.459 944	($74,181)	-5.08%	56 73%	55.76%
Rooms	423,073	427,169	($4.096)	-0.96%	32.54%	31.18%
Food and beverage	774,443	775,018	($575)	-0.07%	57.83%	56.89%
Entertainment	360,383	358,026	$2,357	0.66%	74.10%	72.50%
Retail	120,593	134,851	($14,258)	-10.57%	61.88%	65.06%
Other	333,817	284.919	$48,896	17.16%	63.02%	57.75%
Total direct cost	*3,398,072*	*3,439,927*	*($41 855)*	*-1.22%*		
General and administrative	1,128,803	1.100.193	$28,610	2.60%	19.94%	18.71%
Corporate expense	124,241	143,764	($19,523)	-13.58%	2.20%	2.45%
Preopening and start-up expenses	4,247	53,013	($48,766)	-91.99%	0.08%	0.90%
Property transactions, net	1,451,474	1,328,689	$122,785	9.24%	25.65%	22.60%
Depreciation and amortization	633,423	689,273	($55,850)	-8.10%	11.19%	11.72%
Total operating cost	*3.342,188*	*3.314.932*	*$27,256*	*0.82%*		
	6.740,260	6,754,859	($14.599)	-0.22%	119.09%	114.89%
Reimbursed costs	359,470	99 379	$260,091	261.72%	100 00%	100 00%
	7,099,730	6,854,238	$245,492	3.58%		
Income (loss) from unconsolidated affiliates	-78,434	-88,227	$9,793	-11.10%	-1.39%	-1.50%
Operating loss	-1,158.931	-963,876	($195,055)	20.24%	-20.48%	-16.39%
Non-operating income (expense)						
Interest expense, net	-1,113,580	-775.431	($338,149)	43.61%	-19.68%	-13.19%
Non-operating items from unconsolidated affiliates	-108.731	-47,127	($61,604)	130.72%	-1.92%	-0.80%
Other, net	165,217	-226,159	$391,376	-173.05%	2.92%	-3.85%
	-1,057,094	-1,048,717	($8 377)	0.80%	-18.68%	-17.84%
Loss before income taxes	-2,216,025	-2,012,593	($203.432)	10.11%	-39.15%	-34.23%
Benefit (provision) for income taxes	778,628	720,911	$57,717	8.01%	13.76%	12.26%
Net loss	($1,437,397)	($1,291,682)	($145,715)	11.28%	-25.40%	-21.97%
Loss per share of common stock						
Basic	($3.19)	($3.41)				
Diluted	($3.19)	($3.41)				

MGM Resorts International and Subsidiaries

Consolidated Statements of Cash Flows

(Amount in thousands)

	Year Ended December 31,		Changes (2009~2010)		Common size	
	2010	2009	dollar	%	2010	2009
Cash flows from operating activities						
Net loss	(1,437,397)	(1,291,682)	(145,715)	11.28%	-285.19%	-219.71%
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation and amortization	633,423	689,273	(55,850)	-8.10%		
Amortization of debt discounts, premiums and issuance costs	87,983	50,852	37,131	73.02%		
(Gain) loss on retirement of long-term debt	(132,126)	61,563	(193,689)	-314.62%		
Provision for doubtful accounts	29,832	54,074	(24,242)	-44.83%		
Stock-based compensation	34,988	36,571	(1,583)	-4.33%		
Business interruption insurance – lost profits	0	(15,115)	15,115	-100.00%		
Business interruption insurance – cost recovery	0	0	0			
Property transactions, net	1,451,474	1,328,689	122,785	9.24%		
Convertible note investment impairment		175,690	(175,690)	-100.00%		
Loss (income) from unconsolidated affiliates	190,659	188,178	2,481	1.32%		
Distributions from unconsolidated affiliates	92,706	93,866	(1,160)	-1.26%		
Change in deferred income taxes	(634,082)	(344,690)	(289,392)	83.96%		
sub-total	*1,754,857*	*2,318,971*	(564,114)	-24.33%	*348.18%*	*394.44%*
Change in current assets and liabilities:						
Accounts receivable	(17,376)	(121,088)	103,712	-85.65%		
Inventories	5,418	6,571	(1,153)	-17.55%		
Income taxes receivable and payable, net	197,986	(334,522)	532,508	-159.18%		
Prepaid expenses and other	1,647	(17,427)	19,074	-109.45%		
Accounts payable and accrued liabilities	11,208	37,158	(25,950)	-69.84%		
Business interruption insurance recoveries	0	16,391	(16,391)	-100.00%		
Other	(12,329)	(26,458)	14,129	-53.40%		
sub-total	*186,554*	*(439,375)*	*625,929*	*-142.46%*	*37.01%*	*-74.73%*
Net cash provided by operating activities	504,014	587,914	(83,900)	-14.27%	100.00%	100.00%
Cash flows from investing activities						
Capital expenditures, net of construction payable	(207,491)	(136,850)	(70,641)	51.62%		
Proceeds from sale of Treasure Island, net	0	746,266	(746,266)	-100.00%		
Dispositions of property and equipment	77,601	22,291	55,310	248.13%		
Investments in and advances to unconsolidated affiliates	(553,000)	(963,685)	410,685	-42.62%		
Distributions from unconsolidated affiliates in excess of earnings	135,058	0	135,058			
Distributions from cost method investments	113,422	0	113,422			
Property damage insurance recoveries	0	7,186	(7,186)	-100.00%		
Investments in treasury securities- maturities longer than 90 days	(149,999)	0	(149,999)			
Other	(1,670)	(5,463)	3,793	-69.43%		
Net cash used in investing activities	(586,079)	(330,255)	(255,824)	77.46%		
Cash flows from financing activities						
Net borrowings (repayments) under bank credit facilities – maturities of 90 days or less	(1,886,079)	(1,027,193)	(858,886)	83.61%		
Borrowings under bank credit facilities – maturities longer than 90 days	9,486,223	6,771,492	2,714,731	40.09%		
Repayments under bank credit facilities – maturities longer than 90 days	(10,807,860)	(5,942,455)	(4,865,405)	81.88%		
Issuance of senior notes	2,489,485	1,921,751	567,734	29.54%		
Retirement of senior notes	(1,154,479)	(1,176,452)	21,973	-1.87%		
Debt issuance costs	(106,831)	(112,055)	5,224	-4.66%		
Issuance of common stock in public offering, net	588,456	1,104,418	(515,962)	-46.72%		
Purchases of common stock	0	0	0			
Capped call transactions	(81,478)	0	(81,478)			
Repayment of Detroit Economic Development Corporation bonds	0	(49,393)	49,393	-100.00%		
Other	(2,615)	(1,363)	(1,252)	91.86%		
Net cash provided by (used in) financing activities	(1,475,178)	1,488,750	(2,963,928)	-199.09%		
Cash and cash equivalents						
Net increase (decrease) for the period	(1,557,243)	1,746,409	(3,303,652)	-189.17%		
Change in cash related to assets held for sale	0	14,154	(14,154)	-100.00%		
Balance, beginning of period	2,056,207	295,644	1,760,563	595.50%		
Balance, end of period	498,964	2,056,207	(1,557,243)	-75.73%		

MGM Resorts International and Subsidiaries

Ratios

	Ratios	Year 2010	Year 2009
Liquidity	Current Ratio	1.17	1.28
	Acid-test Ratio	0.66	1.02
	Operating Cash Flow to current liabilities	0.28	0.22
	Account Receivables Turnover	16.40 (23 days)	17.50 (21 days)
Solvency	Working Capital	209,424	669,900
	Solvency Ratio	1.19	1.21
	Debt-Equity Ratio	5.32	4.82
	Long-term Debt to Total Capitalization Ratio	83.07%	80.78%
	# of Times Interest Earned Ratio	N/A	N/A
	Fixed Charge Coverage Ratio	N/A	N/A
	Operating Cash Flow to Total Liability Ratio	2.91%	3.10%
Activity	Inventory Turnover	34.29 (11 days)	32.25 (12 days)
	Fixed Assets Turnover	0.38	0.37
	Assets Turnover	0.27	0.26
	Occupancy Rate	89%	91%
Profitability	Profit Margin	-25.40%	-21.97%
	Operating Efficiency Ratio	-20.48%	-16.39%
	EBITDA Ratio	N/A	N/A
	Return on Assets	N/A	N/A
	Gross Return on Assets	N/A	N/A
	Return on Equity	N/A	N/A
	Earnings Per Share (Basic)	-3.19	-3.41
	Earnings Per Share (Diluted)	-3.19	-3.41
	Price Earnings Ratio	-4.66	-2.67
	Market Value to Book Value	223.15%	89.26%

Operation	Sales Mix (Casino)	38.82%	40.00%
	Sales Mix (Room)	20.66%	20.93%
	Sales Mix (F&B)	21.28%	20.82%
	Sales Mix (Entertainment)	7.73%	7.54%
	Sales Mix (Retail)	3.10%	3.17%
	Sales Mix (Other)	8.42%	7.54%
	ADR	$108	$111
	RevPAR	$96	$100
	F&B Cost %	57.83%	56.89%

Appendix D. Historical Financial Performance, Wynn Resorts, Ltd.

(Hoovers, 2011d)

Historical financial performance, Wynn Resorts, Ltd.

Year	Revenue ($ mil.)	Net Income ($ mil.)	Net Profit Margin	No. of Employees
Dec 2010	4,184.70	160.13	3.83%	16,405
Dec 2009	3,045.61	20.65	0.68%	18,900
Dec 2008	2,987.32	210.21	7.04%	20,600
Dec 2007	2,687.52	258.15	9.61%	16,500
Dec 2006	1,432.36	628.73	43.90%	15,500
Dec 2005	721.98	(90.84)	-	9,300
Dec 2004	0.19	(205.59)	-	1,850
Dec 2003	1.02	(48.89)	-	315
Dec 2002	1.16	(31.71)	-	200
Dec 2001	0.79	(17.73)	-	-

Note. Fiscal Year-End: December (Hoovers, 2011d).