

WYNN RESORTS LTD  
Form S-1/A  
October 22, 2002

[QuickLinks](#) -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on October 22, 2002

Registration No. 333-90600

---

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

### AMENDMENT NO. 6 to FORM S-1 REGISTRATION STATEMENT Under THE SECURITIES ACT OF 1933

---

#### Wynn Resorts, Limited

(Exact name of Registrant as specified in its charter)

**Nevada**

(State or other jurisdiction  
of incorporation or organization)

**7990**

(Primary Standard Industrial  
Classification Code Number)

**46-0484987**

(I.R.S. Employer  
Identification Number)

---

**3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109  
(702) 733-4444**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Ronald J. Kramer  
President**

**3145 Las Vegas Boulevard South  
Las Vegas, Nevada 89109  
(702) 733-4444**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

*Copies to:*

**C. Kevin McGeehan, Esq.  
Ashok W. Mukhey, Esq.  
Irell & Manella LLP  
1800 Avenue of the Stars, Suite 900  
Los Angeles, CA 90067-4276  
(310) 277-1010**

**Pamela B. Kelly, Esq.  
Latham & Watkins  
633 West Fifth Street, Suite 4000  
Los Angeles, CA 90071-2007  
(213) 485-1234**

**Approximate date of commencement of proposed sale to the public:  
As soon as practicable after this registration statement becomes effective.**

---

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act, check the following box. ☐

### CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Proposed Maximum Aggregate Offering Price(1)(2) | Amount of Registration Fee(3) |
|--|---|-------------------------------|
| Common stock, par value \$0.01 per share           | \$517,517,250                                   | \$47,612                      |

- (1) Includes \$67,502,250 of aggregate offering price of shares of common stock that may be sold pursuant to the underwriters' over-allotment options.
- (2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

**Subject to Completion, Dated October 22, 2002**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

## Wynn Resorts, Limited

### 23,685,000 Shares

#### Common Stock

This is the initial public offering of Wynn Resorts, Limited. We are offering 23,685,000 shares of our common stock. We anticipate that the initial public offering price will be between \$18.00 and \$20.00 per share. Our common stock has been approved for quotation on The Nasdaq National Market under the symbol "WYNN."

Concurrent with this offering, our wholly owned subsidiaries, Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp., are jointly offering \$340 million in aggregate principal amount of second mortgage notes and Wynn Las Vegas is entering into credit facilities providing for borrowings of up to \$1 billion and a \$188.5 million loan facility for the purchase of certain furniture, fixtures and equipment.

**Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 10.**

None of the Securities and Exchange Commission or any state securities commission, the Nevada State Gaming Control Board, the Nevada Gaming Commission or any state gaming commission or any other gaming regulatory authority has approved or disapproved of these securities, passed on the investment merits of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

|   | Per Share | Total |
|---|-----------|-------|
| Public offering price   | \$        | \$    |
| Underwriting discounts and commissions  | \$        | \$    |
| Proceeds, before expenses, to Wynn Resorts, Limited   | \$        | \$    |
| We have granted to the underwriters the right to purchase up to 3,552,750 additional shares of common stock to cover over-allotments. |           |       |

*Joint Book-Running Managers*

**Deutsche Bank Securities   Bear, Stearns & Co. Inc.   Banc of America Securities LLC**

**JPMorgan   Dresdner Kleinwort Wasserstein**

**Jefferies & Company, Inc.   Lazard   SG Cowen   Thomas Weisel Partners LLC**

The date of this prospectus is \_\_\_\_\_, 2002.

## DESCRIPTION OF ARTWORK

[Le Rêve site map and map of geography of Macau and surrounding area]

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. We urge you to read this entire prospectus carefully, including the financial data and related notes and the "Risk Factors" section beginning on page 10 before making an investment decision.*

*Wynn Resorts, Limited was recently organized as a Nevada corporation in preparation for this offering. Until recently, our assets and operations were held by and conducted through Valvino Lamore, LLC, a Nevada limited liability company, and its subsidiaries. In September 2002, all of the members of Valvino contributed their membership interests in Valvino to Wynn Resorts in exchange for 40,000,000 shares of the common stock of Wynn Resorts, and Valvino became a wholly owned subsidiary of Wynn Resorts.*

*Unless the context otherwise requires, the terms "we," "our" and "us," as used in this prospectus, mean Wynn Resorts, Limited and its consolidated subsidiaries. References to any other entity mean that entity without any subsidiaries.*

## Overview

We, through our wholly owned subsidiary Wynn Las Vegas, LLC, are constructing and will own and operate Le Rêve, which we have designed to be the preeminent luxury hotel and destination casino resort in Las Vegas. Le Rêve will be situated on approximately 192 acres at the site of the former Desert Inn Resort & Casino on the Las Vegas Strip in Las Vegas, Nevada. We expect Le Rêve to cost approximately \$2.4 billion, comprised of approximately \$1.4 billion in design and construction costs and approximately \$1 billion of additional costs, including the cost of 212 acres of land consisting of an approximately 55-acre plot on which Le Rêve is being constructed, an approximately 137-acre plot located behind the hotel on which the new golf course will be built and an adjacent 20-acre parcel, capitalized interest, pre-opening expenses, certain furniture, fixtures and equipment and all financing fees. We expect Le Rêve to feature approximately 2,700 luxurious guest rooms, a casually elegant casino of approximately 111,000 square feet, 18 distinctive dining outlets, an exclusive on-site 18-hole championship golf course and a new water-based entertainment production. We have scheduled groundbreaking to occur in October 2002, with an opening to the general public scheduled for April 2005.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Le Rêve is the concept of Stephen A. Wynn, one of Wynn Resorts' principal stockholders and its Chairman of the Board and Chief Executive Officer. Mr. Wynn was previously Chairman of the Board, President and Chief Executive Officer of Mirage Resorts, Incorporated and its predecessor from 1973 to 2000. In that role, he was responsible for the development of Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and Beau Rivage in Biloxi, Mississippi. We intend for Le Rêve to set a new standard of luxury and elegance for destination casino resorts in Las Vegas.

In addition, Wynn Resorts (Macau) S.A., a Macau company and majority-owned indirect subsidiary of Wynn Resorts referred to as Wynn Macau, recently entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China to construct and operate one or more casino gaming properties in Macau. The Macau peninsula, located in southeast China on the South China Sea, is approximately 37 miles southwest of Hong Kong. Macau has been an established gaming market for at least 40 years and, according to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, Macau's casinos generated approximately US

---

\$2.1 billion in gaming revenue in 2000. Wynn Macau currently is one of three concessionaires permitted to operate a casino gaming business in Macau.

The concession agreement requires Wynn Macau to construct and operate one or more casino gaming properties in Macau, including, at a minimum, one full-service casino resort by the end of December 2006, and invest not less than a total of 4 billion patacas (approximately US \$500 million) in Macau-related projects by June 26, 2009. Wynn Macau will not begin construction or operation of any casino in Macau until a number of objectives and conditions are met, including obtaining sufficient financing. After construction of the first phase of Wynn Macau's first casino resort, Wynn Macau intends to satisfy its remaining financial obligations under the concession agreement through the development of future phased expansions and, possibly, additional casino resorts.

### Company Strategy

*Showcase the "Wynn Brand."* We believe that Mr. Wynn is widely viewed as the premier designer, developer and operator of destination casino resorts in Las Vegas, and that Le Rêve will represent a natural extension of the concepts Mr. Wynn has utilized in developing other major destination casino resorts.

*Develop Le Rêve as the Preeminent Luxury Hotel and Destination Casino Resort in Las Vegas.* Our business strategy for Le Rêve is to offer guests a luxurious experience at a premier destination casino resort in Las Vegas in a first-class environment of elegance, sophistication and luxury.

*Pursue the Opportunity to be One of Three Casino Operators in Macau.* Wynn Macau will pursue its opportunity to be one of only three concessionaires permitted to operate casinos in Macau, an established gaming market with access to gaming patrons principally from Hong Kong and mainland China.

*Explore Opportunities for Future Growth.* Our 212-acre site in Las Vegas includes a parcel of approximately 20 acres fronting Las Vegas Boulevard and an approximately 137-acre plot located behind the hotel on which the new golf course will be built. Subject to being released from liens under our subsidiaries' indebtedness, those parcels would provide the potential for future projects in Las Vegas, including a possible second hotel casino as a Phase II development on the 20-acre parcel.

*Capitalize on Our Experienced Management Team.* Mr. Wynn is designing Le Rêve and brings to the project his experience as the designer of Bellagio, The Mirage and Treasure Island at The Mirage. Many of our other key people worked with Mr. Wynn at Mirage Resorts.

### Le Rêve Strategy

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

*Create a "Must-Visit" Destination Casino Resort on the Las Vegas Strip.* Rather than focusing on a highly themed experience like many other hotel casino resorts on the Las Vegas Strip, Le Rêve will offer a luxurious environment having a sophisticated, casually elegant ambience. In this manner, we believe that the property, rather than a theme, will be the attraction and, therefore, will have greater lasting appeal to customers.

*Open the First New Major Hotel Casino Resort on the Las Vegas Strip in Almost Five Years.* We believe that, at the time of Le Rêve's planned opening in April 2005, it will have been almost five years since a major new hotel casino resort opened on the Las

2

---

Vegas Strip. As a result, we expect that there will be a high level of customer anticipation for Le Rêve.

*Provide an Experience at Le Rêve of the Highest Standard of Luxury in an Atmosphere of Casual Elegance.* We will seek to attract a range of customers to Le Rêve, including middle market customers and high roller and premium gaming patrons, by providing guests with a premium level of luxury, amenities and service, such as:

approximately 2,700 richly furnished, spacious guest rooms and suites;

a casually elegant casino featuring an estimated 136 table games and 2,000 slot machines, a distinctive baccarat salon and private high-limit gaming rooms;

an intimate environment for our guests with an approximately eight story, manmade "mountain" enclosing an approximately three-acre lake in front of the hotel and 18 dining outlets, including six fine-dining restaurants, one of which will feature cuisine by Daniel Boulud of New York's DANIEL and Café Boulud restaurants;

an exclusive 18-hole championship golf course on the premises of Le Rêve;

a new water-based entertainment production developed by Franco Dragone, the creative force behind Bellagio's production of "O" and Treasure Island at The Mirage's production of "Mystère;"

an on-site, full-service Ferrari and Maserati dealership; and

an art gallery displaying works from the private art collection of Mr. Wynn and his wife, Elaine Wynn.

*Generate Substantial Revenue from Le Rêve's Non-Gaming Amenities.* We expect Le Rêve's superior non-gaming amenities outlined above to provide a substantial portion of its overall revenue.

*Capitalize on the Attractive Location of Le Rêve.* Le Rêve will be located on the Las Vegas Strip at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue. Le Rêve will have approximately 1,350 feet of frontage on the Las Vegas Strip and will be located near some of the most visited hotel casino resorts and attractions on the Las Vegas Strip, including Bellagio, Caesars Palace, The Mirage, Treasure Island at The Mirage and The Venetian. In addition, Le Rêve will be adjacent to the Las Vegas Convention Center and the Sands Expo and Convention Center, two of the largest trade show and convention facilities in the United States. Le Rêve will also be located directly across from the Fashion Show Mall, which is currently undergoing a substantial renovation and expansion, and we anticipate that Le Rêve will be connected to the mall by a pedestrian bridge.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

*Carefully Manage Construction Costs and Risks.* Marnell Corrao Associates, Inc., referred to as Marnell Corrao, will be the builder and general contractor for most of Le Rêve, excluding the parking garage and the golf course. Marnell Corrao has extensive experience in building large Las Vegas destination casino resorts, including Bellagio, The Mirage, Treasure Island at The Mirage and New York-New York Hotel and Casino. We have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the estimated \$1.4 billion budgeted design and construction costs. We plan to implement specific mechanisms that are intended to mitigate the risk of construction cost overruns and delays, including:

3

---

a \$150 million contractor performance and payment bond;

a guaranty by Marnell Corrao's parent company, Austi, Inc., of Marnell Corrao's full performance under the construction contract until final payment under that contract;

a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes by a special purpose subsidiary of Wynn Las Vegas to secure completion of the construction and opening of Le Rêve, secured by \$50 million of the proceeds of this offering;

a liquidity reserve account of Wynn Las Vegas holding \$30 million of the proceeds of this offering;

an owner's contingency of approximately \$34.3 million included in the design and construction budget; and

anticipated remaining availability of approximately \$33.8 million under Wynn Las Vegas' revolving credit facility that may be used to pay interest and other financing fees with respect to our subsidiaries' indebtedness if completion is delayed.

### Macau Strategy

We currently contemplate that Wynn Macau will develop, construct and begin operations of its initial casino resort in phases, with the first phase consisting of a casino and several food and beverage outlets. Wynn Macau has not yet determined the cost of construction of the first phase of its first casino resort. If the financing arrangements for the construction of the initial phase of the casino resort are completed and if certain necessary legislative changes have been enacted by the Macau government, we expect that Wynn Macau will begin construction of the first phase of its first casino resort in 2003. Accordingly, Wynn Macau could complete construction of the first phase of the casino resort and begin casino operations as early as 2004. Wynn Macau has already begun planning for the development of the initial phase of its first casino resort, including having discussions with construction contractors. The Macau government has granted to Wynn Macau the right to lease a parcel of land for its first permanent casino operations. We believe that this land, located in the outer harbor of downtown Macau opposite the largest, most well-known casino, the Hotel Lisboa, is an attractive location for Wynn Macau's first Macau casino.

The government of Macau is encouraging significant foreign and domestic investment in new and expanded casino entertainment facilities in Macau to enhance its reputation as a casino resort destination and to attract additional tourists and lengthen stays. We believe that these efforts will provide an opportunity for growth in the Macau gaming and resort market. Gaming customers from Hong Kong, southeast China, Taiwan and other locations in Asia can reach Macau in a relatively short period of time, and visitors from more distant locations in Asia can take advantage of short travel times by air to Macau or to Hong Kong. The relatively easy access from major population centers promotes Macau as a popular gaming destination in Asia. We plan to capitalize on these favorable market trends, utilizing our significant experience in Las Vegas by providing a Steve Wynn-designed property with appropriately high service standards.

We intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau as part of the financing of the Macau opportunity, in addition to the approximately \$23.8 million we have already invested in Wynn Macau. Wynn Macau has begun preliminary discussions to arrange the additional financing that would be required to complete the initial

4

phase of Wynn Macau's first casino resort. At the present time, Wynn Macau has not yet determined the amount of financing that will be required to complete the initial phase.

Wynn Macau expects to exercise its right to lease the first permanent casino site and to begin construction of the initial phase after certain necessary legislative changes are enacted by the Macau government and the financing is completed. Based upon our discussions with government officials, we believe these legislative changes will be introduced by early 2003. Wynn Macau will not begin construction or operation of any casino in Macau if these legislative changes are not enacted.

### **Summary of Risk Factors**

Investing in our common stock involves substantial risks, including the following:

There are significant conditions to the funding of the remaining components of the financing for the Le Rêve project;

The development costs of Le Rêve are estimates only, and actual development costs may be higher than expected;

The guaranteed maximum price under the Marnell Corrao construction contract may increase, and we would be responsible for the amount of any increase;

We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing;

As a holding company, Wynn Resorts is entirely dependent upon the operations of its subsidiaries and their ability to make dividends or distributions to provide cash flow at Wynn Resorts;

We have no operating history;

The loss of Stephen A. Wynn could significantly harm our business;

Wynn Macau may determine not to go forward with the Macau opportunity at any time, possibly resulting in the loss of a significant investment; and

If Wynn Macau builds and operates one or more casinos in Macau, it will be subject to considerable risks, including risks related to Macau's untested regulatory framework.

### **Other Financing Transactions**

Concurrent with this offering, Wynn Resorts' wholly owned indirect subsidiaries, Wynn Las Vegas, which will own and operate Le Rêve, and Wynn Capital, are jointly offering \$340 million in aggregate principal amount of second mortgage notes. In addition, Wynn Las Vegas will enter into credit facilities providing for \$1 billion of indebtedness and a \$188.5 million loan facility secured by certain furniture, fixtures and equipment. We intend to use a portion of the net proceeds of this offering together with the net proceeds of the contemplated offering of the second mortgage notes, borrowings of approximately \$713.2 million under a \$750 million revolving credit facility, \$250 million under a delay draw term loan facility and \$188.5 million under a furniture, fixtures and equipment loan facility and a portion of our existing cash on hand, to fund Le Rêve's project costs. Wynn Las Vegas has obtained commitments for the revolving credit facility and the delay draw term loan facility, and the placement agent for the furniture, fixtures and equipment facility has received commitments from the lenders who will be a party to that

loan facility. We sometimes refer to the revolving credit facility and the delay draw term loan facility as the credit facilities and to the furniture, fixtures and equipment facility as the FF&E facility. Consummation of this

offering is conditioned on consummation of the offering of the second mortgage notes and on Wynn Las Vegas entering into the agreements governing the credit facilities and FF&E facility. These conditions may not be waived by Wynn Resorts.

### **Corporate Structure**

The following chart illustrates the organizational structure of our principal operations upon the consummation of this offering. This chart depicts the relationships between our various operations and our ownership interests in them. It does not contain all of our subsidiaries and, in some cases, we have combined separate entities for presentation purposes. We have also indicated which entities initially will be borrowers, issuers, guarantors and restricted entities under the indenture governing the second mortgage notes, the credit facilities and the FF&E facility. All other entities, including Wynn Resorts and the Macau-related subsidiaries, will not be guarantors and will not be subject to the covenants in the indenture governing the second mortgage notes, the credit facilities or the FF&E facility, except that Wynn Resorts will become a guarantor under these debt instruments if it incurs certain indebtedness in excess of \$10 million in the aggregate, or becomes a guarantor on other specified indebtedness.

Wynn Resorts indirectly owns an approximately 82.5% economic interest in Wynn Macau. A more detailed corporate chart relating to the Macau-related entities appears under the heading "Business The Macau Opportunity Ownership Structure of the Macau-Related Entities."

- 
- (1) Stephen A. Wynn and Aruze USA, Inc. have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA. As a result of this voting arrangement, Mr. Wynn will control Wynn Resorts' board of directors. See "Certain Relationships and Related Transactions Stockholders Agreement."
- (2) Consists of shares held by Baron Asset Fund on behalf of the Baron Asset Fund Series and the Baron Growth Fund Series.
- (3) Following the completion of this offering, Wynn Resorts intends to grant awards of restricted stock aggregating 1,328,061 shares initially to six employees and to Franco Dragone, the executive producer and principal creator of the new entertainment production at Le Rêve. The restricted stock will vest at specified times. After giving effect to these restricted stock grants, these persons would collectively hold approximately 2.0% of Wynn Resorts' outstanding shares, and the percentage ownership interests of Mr. Wynn, Aruze USA, Baron Asset Fund, Kenneth R. Wynn Family Trust and the public stockholders would be approximately 29.2%, 29.2%, 3.1%, 0.1% and 36.4%, respectively.
- (4) Based on the number of shares proposed to be issued in this offering, excluding any shares that may be issued pursuant to the exercise of the underwriters' over-allotment option.

(5)

The shaded area shows the entities that will be issuers or other restricted entities with respect to the second mortgage notes and borrowers or other restricted entities with respect to the revolving credit facility, delay draw

7

term loan facility and FF&E facility. These entities will also be the guarantors under these debt facilities. Wynn Resorts' subsidiaries that will develop the Macau opportunity will not be issuers, borrowers, guarantors or restricted entities with respect to the financing of Le R ve.

(6)

Includes a number of wholly owned and partially owned entities. Wynn Resorts owns an approximately 82.5% economic interest in, and effectively controls approximately 90% of the vote of, Wynn Macau indirectly through various subsidiaries. For additional information regarding these entities, see "Business The Macau Opportunity Ownership Structure of Macau-Related Entities."

(7)

Includes a number of wholly owned subsidiary limited liability companies. These entities include Rambas Marketing Co., LLC, Toasty, LLC and WorldWide Wynn, LLC.

(8)

Desert Inn Improvement Co. will not be a guarantor or a restricted entity under these debt facilities. However, Desert Inn Water Company, LLC, the parent company of Desert Inn Improvement Co., will be directly subject to the covenants contained in these debt facilities. Those covenants will impose obligations on Desert Inn Water Company, LLC, both with respect to itself and Desert Inn Improvement Co. In addition, if Desert Inn Improvement Co. obtains the approval of the Public Utilities Commission of Nevada, it will pledge certain water rights and real property interests it holds to the lenders under the credit facilities and the second mortgage note holders.

(9)

We will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account to support Wynn Las Vegas' obligation to complete the Le R ve project. Such funds will be applied to the costs of the project in accordance with the disbursement agreement. See "Use of Proceeds."

(10)

We will contribute \$50 million of the net proceeds of this offering to a special purpose subsidiary of Wynn Las Vegas, which will provide a \$50 million completion guarantee in connection with the construction and opening of Le R ve. See "Use of Proceeds." This special purpose subsidiary will be an unrestricted entity and generally will not be subject to the covenants in the credit facilities, the FF&E facility or the second mortgage notes. Similarly, it will not be a guarantor with respect to any of these debt facilities.

### Issuer Information

Wynn Resorts, Limited is a Nevada corporation. Wynn Resorts' principal executive offices are located at 3145 Las Vegas Boulevard South, Las Vegas, Nevada 89109. Wynn Resorts' telephone number is (702) 733-4444.

8

### The Offering

Common stock offered by Wynn Resorts

23,685,000 shares

Common stock to be outstanding after this offering

63,685,000 shares

Use of proceeds

We intend to use:

a portion of our existing cash and \$374.7 million of net proceeds from this offering, along with the borrowings under the credit facilities and the FF&E facility and the net proceeds from the offering of the second mortgage notes, to design, construct, develop, equip and open Le R ve; and

up to \$40 million of the net proceeds from this offering as part of the financing of Wynn Macau to design, construct, develop, equip and operate one or more casino resorts in Macau.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Of the \$374.7 million we will contribute to Wynn Las Vegas:

\$50 million will be contributed to a special purpose subsidiary of Wynn Las Vegas, which will provide a \$50 million completion guarantee in connection with the construction and opening of Le Rêve; and

\$30 million will be contributed to Wynn Las Vegas to be held in a liquidity reserve account.

The completion guarantee account and the liquidity reserve account will be pledged to the lenders under the credit facilities and the second mortgage note holders to secure our subsidiaries' obligations to complete the Le Rêve project.

If the underwriters exercise their over-allotment option in this offering, we may use the additional net proceeds for general corporate purposes, including for unanticipated construction and debt service expenses related to Le Rêve and for additional expenditures related to the Macau opportunity.

### Listing

Wynn Resorts' common stock has been approved for quotation on The Nasdaq National Market under the symbol "WYNN."

Unless otherwise indicated, all share information in this prospectus is based on the number of shares outstanding as of October 1, 2002 and excludes:

9,750,000 shares of Wynn Resorts' common stock available for future issuance under our stock incentive plan; and

the possible issuance of up to 3,552,750 additional shares of Wynn Resorts' common stock that the underwriters have the option to purchase from Wynn Resorts to cover over-allotments.

## RISK FACTORS

*Investing in Wynn Resorts will be subject to significant risks. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before deciding to purchase Wynn Resorts' common stock. If any of the following risks and uncertainties actually occur, our business, financial condition or operating results could be harmed substantially. This could cause the trading price of Wynn Resorts' common stock to decline, perhaps significantly, and you may lose all or part of your investment in Wynn Resorts' common stock.*

### Risks Associated with Our Construction of Le Rêve

**There are significant conditions to the funding of the remaining components of the financing for the Le Rêve project.**

Concurrent with the closing of this offering and Wynn Las Vegas' offering of second mortgage notes, Wynn Las Vegas will enter into agreements governing credit facilities providing for borrowings up to \$1 billion and the FF&E facility providing for additional loans up to \$188.5 million, which Wynn Las Vegas may request the FF&E lenders to increase to \$198.5 million if we purchase a replacement corporate aircraft. The closings of this offering, the second mortgage notes offering, the credit facilities and the FF&E facility will be conditioned on each other.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

At the closing, Wynn Resorts will contribute \$374.7 million of the net proceeds of this offering and Valvino will contribute all of its existing cash on hand to Wynn Las Vegas. At the closing, Wynn Las Vegas will enter into a disbursement agreement with the agents under the credit facilities and the FF&E facility and the second mortgage note trustee. Under the disbursement agreement, Wynn Las Vegas is required to first use equity proceeds and the cash on hand that Wynn Resorts and Valvino contributed to Wynn Las Vegas, other than the funds to be contributed to the completion guarantor and to be held in the liquidity reserve account, to fund the development, construction and pre-opening costs of Le Rêve. When those funds are depleted in approximately ten to twelve months after the closing of this offering, Wynn Las Vegas will be permitted to use the proceeds of the second mortgage notes. Wynn Las Vegas will not be permitted to borrow under the credit facilities or the FF&E facility until it has applied all of the proceeds of the second mortgage notes offering, which is expected to be approximately 16 to 19 months after the closing of this offering.

Wynn Las Vegas' ability to, from time to time, obtain a disbursement of the proceeds of the second mortgage notes or borrow under the credit facilities and the FF&E facility will be subject to various conditions precedent. As such, a substantial portion of the equity proceeds will have been spent before we know whether the conditions to disbursement of funds under Wynn Las Vegas' debt facilities will have been satisfied. In addition to other customary conditions to funding for these types of facilities, Wynn Las Vegas' ability to obtain a disbursement of the funds under its debt instruments will be subject to the following conditions:

Wynn Las Vegas, Marnell Corrao, the lenders' independent construction consultant and certain other third parties must certify as to various matters regarding the progress of construction, as to the conformity of the portions of the project then completed with the plans and specifications and that the Le Rêve project will be completed by the scheduled completion date, which may be extended in accordance with the disbursement agreement, but not beyond September 30, 2005, except for certain limited permitted extensions due to force majeure events;

10

---

Wynn Resorts and its principal stockholders must maintain in full force and effect the existing arrangements among Wynn Resorts' stockholders to facilitate obtaining the gaming license for the Le Rêve project in the event that one of our major stockholders is unable to qualify for such license;

the construction of Le Rêve must be "in balance," meaning that the undisbursed portions of the second mortgage note proceeds, the credit facilities and the FF&E facility, together with certain other funds available to Wynn Las Vegas, must equal or exceed the remaining costs to complete Le Rêve's construction plus a required contingency; and

Wynn Las Vegas and the general contractor must have entered into subcontracts in respect of specified percentages of the total construction cost of Le Rêve to be managed by each of them, which percentages are to be mutually agreed upon by Wynn Las Vegas and the lenders under the credit facilities.

We cannot assure you that Wynn Las Vegas will be able to satisfy the conditions to funding at the time disbursements or drawdowns are required to make payments of our construction costs. Satisfaction of various conditions is subject to the discretion of the lenders under the credit facilities and their consultants and is therefore beyond Wynn Las Vegas' control.

Any failure to satisfy the conditions to the release of the second mortgage note proceeds or drawdowns under the credit facilities or the FF&E facility could severely impact our ability to complete Le Rêve and could arise before or after some or all of the proceeds of this offering intended for the development and construction of Le Rêve have been expended on the project. We may not have access to alternative sources of funds necessary to complete Le Rêve on satisfactory terms or at all. If we seek additional equity capital as a funding alternative, the interests of Wynn Resorts' stockholders could be diluted.

### **The development costs of Le Rêve are estimates only, and actual development costs may be higher than expected.**

Not all of the plans and specifications for Le Rêve have been finalized. We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the budgeted design and construction costs, cost of the land, capitalized interest, pre-opening expenses and all financing fees. The required cash interest payments and commitment fees on the credit facilities, FF&E facility, second mortgage notes and any other indebtedness and obligations of Wynn Las Vegas which will become due through the estimated commencement date of operations of Le Rêve have been included in our estimate of the total development cost.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

While we believe that the overall budget for the development costs for Le Rêve is reasonable, these development costs are estimates and the actual development costs may be higher than expected. For example, a delay in the commencement of construction beyond the scheduled commencement date may increase the overall budget for Le Rêve and under certain circumstances we may be responsible for the increased costs. Although Wynn Las Vegas has a \$34.3 million owners' contingency, a \$50 million completion guarantee and a \$30 million liquidity reserve to cover cost overruns, these contingencies may not be sufficient to cover the full amount of such overruns. Moreover, the disbursement agreement imposes conditions on the use of these contingencies, including that the completion guarantee and the liquidity reserve are only available to Wynn Las Vegas incrementally once the project is halfway completed. If Wynn Las Vegas is unable to use these contingencies or if these contingencies are not sufficient to cover these costs, we may not have the funds required to pay the excess costs. Wynn Las Vegas' inability to pay development costs as they are incurred

11

---

will negatively affect our ability to complete Le Rêve and thus may significantly impair our business operations and prospects.

Cost overruns could cause Wynn Las Vegas to be out of "balance" under the disbursement agreement and, consequently, prevent it from obtaining funds from the second mortgage note proceeds secured account or, after those funds are exhausted, to draw down under the credit facilities and the FF&E facility. If Wynn Las Vegas cannot obtain these funds, it will not be able to open Le Rêve to the general public on schedule or at all, which would have a significant negative impact on our financial condition and results of operations.

**Not all of the construction costs of Le Rêve are covered by our guaranteed maximum price construction contract, and we will be responsible for any cost overruns of these excluded items.**

We have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the budgeted \$1.4 billion design and construction costs for Le Rêve. We are responsible for cost overruns with respect to the remaining approximately \$488 million of the \$1.4 billion of budgeted components that are not part of the guaranteed maximum price contract. The guaranteed maximum price contract does not include items such as the costs of construction of the new golf course and the principal parking garage and approximately \$303 million in interior design and related furniture, fixtures and equipment. For a detailed breakdown of the items included in the portions of the budget not covered by the guaranteed maximum price construction contract, see "Business Construction Schedule and Budget." While we may in the future enter into other agreements that may seek to limit our exposure to construction cost increases, the actual costs for these items may exceed budgeted costs.

**The guaranteed maximum price under the Marnell Corrao construction contract may increase, and we would be responsible for the amount of any increase.**

Although we have a \$919 million guaranteed maximum price construction contract with Marnell Corrao, it provides that the guaranteed maximum price will be appropriately increased, and the deadline for the contractor's obligation to complete construction will be appropriately adjusted, on account of, among other things:

changes in the architect-prepared design documents or deficiencies in the design documents;

changes requested or directed by us in the scope of the work to be performed pursuant to the construction contract;

changes in legal requirements;

natural disasters, unavoidable casualties, industry-wide labor disputes affecting the general Las Vegas area and not limited to the project and other force majeure events that are unforeseeable and beyond the reasonable control of Marnell Corrao; and

delays caused by us, including delays in completing the drawings and specifications.

Although we have determined the overall scope and general design of Le Rêve, not all of the detailed plans and specifications have been finalized. We do not have final plans for construction components comprising approximately \$493.5 million of the approximately \$919 million Marnell Corrao construction contract. With respect to the construction components for which plans and specifications have not been finalized,

the guaranteed maximum price is based on master concept plans and agreed upon design and other

premises and assumptions for the detailed plans to be created. Construction will commence before completion of all drawings and specifications.

Inconsistencies between the completed drawings and specifications and the premises and assumptions on which the approximately \$919 million guaranteed maximum price was based could, under specific circumstances, cause us to be responsible for costs in excess of the guaranteed maximum price. For example, if the initial drawings, when finalized, are inconsistent with the premises and assumptions, we will be responsible for the increase, if any, in the cost to construct the work covered by those drawings over the previously agreed upon amounts designated for such work in the guaranteed maximum price. Furthermore, the premises and assumptions may not be sufficiently specific to determine, as between the contractor and us, who is responsible for cost overruns in specific situations.

**The liquidated damages provision in our guaranteed maximum price construction contract likely will not be sufficient to protect us against exposure to actual damages we may suffer for delay in completion of the project.**

Under the construction contract with Marnell Corrao, the guaranteed date of substantial completion is 910 calendar days from the date we direct Marnell Corrao by written notice to commence construction. The contract provides for liquidated damages in the amount of \$300,000 per day to be imposed on Marnell Corrao on a daily basis, up to a maximum of 30 days, for a maximum amount of \$9 million, if all work required by the construction contract is not substantially completed by the deadline, following a five-day grace period and subject to force majeure and other permitted extensions. We cannot assure you that construction will be completed on schedule and, if completion of the construction were delayed beyond the grace period, our actual damages would likely exceed \$300,000 per day.

In addition, if the contractor defaults under the construction contract, we may be unable to complete Le Rêve on schedule or within the amount budgeted. Failure to complete construction on schedule may have a significant negative impact on our operations and financial condition.

**The financial resources of our contractor may be insufficient to fund cost overruns or liquidated damages for which it is responsible under the guaranteed maximum price contract.**

Under the terms of the construction contract with Marnell Corrao, Marnell Corrao is, subject to specific conditions and limitations, responsible for all construction costs covered by the construction contract that exceed the approximately \$919 million guaranteed maximum price contained in the contract.

Austi, the parent company of the contractor, which is a private company controlled by the Anthony A. Marnell II family, has agreed to provide a continuing guaranty by which Austi guarantees Marnell Corrao's full performance under the construction contract until final payment under that contract. In addition, Marnell Corrao is obligated to obtain and provide a \$150 million contractor performance and payment bond.

We cannot assure you that Marnell Corrao and Austi will have sufficient financial resources to fund any cost overruns or liquidated damages for which Marnell Corrao is responsible under the guaranteed maximum price contract. Furthermore, neither Marnell Corrao nor Austi is contractually obligated to maintain its financial resources to cover cost overruns. If Marnell Corrao and Austi do not have the resources to meet their obligations and we are unable to obtain funds under the performance and payment bond in a timely manner,

or if the performance and payment bond is insufficient to cover any shortfall, we may need to pay these excess costs in order to complete construction of Le Rêve.

**Certain provisions in the construction contract with Marnell Corrao for construction of Le Rêve may be unenforceable.**

Recently enacted Nevada statutes have substantially impaired, and in some cases eliminated, an owner's ability to withhold funds from a contractor or subcontractor, even when there may be defective work or a dispute about amounts owed. The new laws also limit an owner's ability to terminate, suspend or interrupt the construction, and in several circumstances, entitle the contractor and subcontractor to payment of their full unearned fee, following a brief notice period, if the owner suspends, terminates or interrupts the construction or fails to make payment or

withholds amounts claimed to be due. In addition, Nevada law permits contractors and subcontractors to terminate construction contracts upon very short notice periods if any payments are not timely made to the contractors. The construction contract with Marnell Corrao contains provisions that provide us with rights and protections that in some circumstances may be inconsistent with these new laws. While it appears that some of the new laws can be waived, others expressly prohibit waiver. The effect of the new laws on the provisions of the construction contract is not completely clear. Therefore, while we have negotiated with Marnell Corrao for specific rights and obligations, including with respect to damages, termination and suspension of construction, those provisions of the construction contract may not be enforceable to the extent they conflict with non-waivable provisions of applicable laws. If the provisions of the construction contract are not enforceable, delays or suspensions in the work initiated by the owner or other events may expose us to increased costs. We cannot assure you that we will have sufficient funds to pay these increased costs.

**There are significant risks associated with major construction projects that may prevent completion of Le Rêve on budget and on schedule.**

Major construction projects of the scope and scale of Le Rêve entail significant risks, including:

shortages of materials or skilled labor;

unforeseen engineering, environmental and/or geological problems;

work stoppages;

weather interference;

unanticipated cost increases; and

unavailability of construction equipment.

Construction, equipment or staffing problems or difficulties in obtaining any of the requisite licenses, permits and authorizations from regulatory authorities could increase the total cost, delay or prevent the construction or opening or otherwise affect the design and features of Le Rêve.

We anticipate that only some of the subcontractors engaged by the contractor to perform work and/or supply materials in connection with the construction of Le Rêve will post bonds guaranteeing timely completion of a subcontractor's work and payment for all of that subcontractor's labor and materials. We cannot assure you that these bonds will be adequate to ensure completion of the work.

We cannot assure you that Le Rêve will commence operations on schedule or that construction costs for Le Rêve will not exceed budgeted amounts. Failure to complete Le Rêve on budget or on schedule may have a significant negative effect on us.

**Simultaneous construction of Le Rêve and the Macau casino(s) may stretch management time and resources.**

Le Rêve is scheduled to open in April 2005, and our subsidiary Wynn Macau may pursue development of its first permanent casino resort in Macau in the same time period. If both projects are being built simultaneously, members of our senior management will be involved in planning and developing both projects. Developing the Macau opportunity simultaneously with Le Rêve may divert management resources from the construction and/or opening of either project. Management's inability to devote sufficient time and attention to either project may delay the construction or opening of either project. This type of delay could have a negative effect on our business and operations.

**Risks Related to Our Substantial Indebtedness**

**We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing.**

As we progress toward the completion of the construction of Le Rêve, we will have a substantial amount of consolidated debt in relation to our equity, which debt will increase during the construction period. Concurrent with the closing of this offering, Wynn Las Vegas will enter into debt facilities that will result in total outstanding indebtedness of approximately \$1.5 billion by the time Le Rêve is completed.

Our subsidiaries' substantial indebtedness could have important consequences for you. For example:

If Wynn Las Vegas does not complete construction of Le Rêve by the scheduled completion date, which may be extended in accordance with the disbursement agreement, but not beyond September 30, 2005, except for certain limited permitted exceptions due to force majeure events, fails to meet its payment obligations or otherwise defaults under the agreements governing the indebtedness, the lenders under those agreements will have the right to accelerate the indebtedness and exercise other rights and remedies against Wynn Las Vegas and the guarantors of the indebtedness. These rights and remedies include the rights to:

repossess and foreclose upon the assets that serve as collateral,

initiate judicial foreclosure against Wynn Las Vegas and the guarantors,

petition a court to appoint a receiver for Wynn Las Vegas and the guarantors or for substantially all of their assets, and

if they are insolvent, to initiate involuntary bankruptcy proceedings against Wynn Las Vegas and the guarantors,

in each case, subject to procedural restraints and limitations applicable to secured creditors generally and also those imposed by applicable gaming laws, rules and regulations and the rules and regulations of the Public Utilities Commission of Nevada;

Once Le Rêve is operating, Wynn Las Vegas will be required to use a substantial portion of its cash flow from operations to service and amortize its indebtedness, which will

15

---

reduce the available cash flow to fund working capital, capital expenditures and other general corporate purposes and distributions up to Wynn Resorts;

We may have a limited ability to respond to changing business and economic conditions and to withstand competitive pressures, which may affect our financial condition;

We may have a limited ability to obtain additional financing, if needed, to fund Le Rêve's design and construction costs, working capital requirements, capital expenditures, debt service, general corporate or other obligations;

Under the credit facilities and the FF&E facility, a substantial portion of the interest rates Wynn Las Vegas pays will fluctuate with the current market rates and, accordingly, Wynn Las Vegas' interest expense will increase if market interest rates increase;

Our subsidiaries' substantial indebtedness will increase their vulnerability to general adverse economic and industry conditions; and

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

We may be placed at a competitive disadvantage to our competitors who are not as highly leveraged.

If Wynn Resorts incurs certain indebtedness in excess of \$10 million in the aggregate, or becomes a guarantor on other specified indebtedness, it will be required to become a guarantor of the indebtedness under the credit facilities and the second mortgage notes and as a result, Wynn Resorts will be obligated to make payments to the lenders and the holders of the second mortgage notes if Wynn Las Vegas and the other guarantors of the indebtedness fail to satisfy their obligations under the credit facilities, the FF&E facilities or the second mortgage notes.

**As a holding company, Wynn Resorts is entirely dependent upon the operations of its subsidiaries and their ability to make dividends or distributions to provide cash flow at Wynn Resorts.**

Wynn Resorts is a holding company and its assets consist primarily of investments in its subsidiaries, including Valvino, Wynn Resorts Holdings, Wynn Las Vegas and Wynn Macau.

Our subsidiaries will conduct substantially all of our consolidated operations and own substantially all of our consolidated assets. As a result, Wynn Resorts' cash flow will depend upon:

the cash flow of our subsidiaries; and

the ability of those subsidiaries to provide funds to us in the form of dividends, distributions, loans or otherwise.

The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will significantly restrict the ability of Wynn Las Vegas to make any dividends or distributions to Wynn Resorts. In addition, we expect that any financing arrangements entered into by Wynn Macau or one of its intermediary holding companies will contain similar restrictions. As a result of these restrictions, or for other reasons, cash flow generated by the Macau casinos operated by Wynn Macau may not be available to service the debt of the subsidiaries developing the Le Rêve project. Similarly, any cash flow generated by the Le Rêve project may not be available to service any debt of the subsidiaries developing the Macau opportunity. See also "Risks Related to the Offering" Wynn Resorts has never paid dividends, does not intend to pay dividends in the foreseeable future and may not pay dividends to any unsuitable person or its affiliates."

16

---

Although Wynn Las Vegas will be permitted to distribute funds to Wynn Resorts to cover certain corporate overhead, and, following completion of Le Rêve, will be permitted to pay limited management fees to Wynn Resorts if Wynn Las Vegas achieves certain financial ratios and there is not a default under the credit facilities or the indenture governing the second mortgage notes, we do not expect to have any significant cash flow at Wynn Resorts from Wynn Las Vegas for a considerable period of time.

**Our subsidiaries may not generate sufficient cash flow to meet their substantial debt service and other obligations.**

Before the opening of Le Rêve, which is expected to occur in April 2005, and the possible opening of one or more casinos in Macau, we and our subsidiaries will have no material operations or earnings. Consequently, we will be dependent on the proceeds of this offering, borrowings under the credit facilities and the FF&E facility and the proceeds of the second mortgage note offering to meet all of Wynn Las Vegas' construction, debt service and other obligations.

After Le Rêve opens, Wynn Las Vegas' ability to make interest payments under the credit facilities, the FF&E facility, the second mortgage notes and other indebtedness will depend on its ability to generate sufficient cash flow from operations. We cannot assure you that Wynn Las Vegas will begin operations by the scheduled opening date or at all, or that it will be able to generate sufficient cash flow to meet its expenses, including its debt service requirements. Wynn Las Vegas' ability to generate cash flow will depend upon many factors, including:

its future operating performance;

the demand for services that it provides;

general economic conditions and economic conditions affecting Nevada or the casino industry in particular;

its ability to hire and retain employees at a reasonable cost;

competition; and

legislative and regulatory factors affecting its operations and business.

Some of these factors are beyond our subsidiaries' control. Any inability of Wynn Las Vegas to meet its debt service obligations would have a material adverse effect on us.

**Our subsidiaries' indebtedness will be secured by a substantial portion of their assets.**

Subject to applicable laws, including gaming laws, and certain agreed upon exceptions, the credit facilities and second mortgage notes will be secured by liens on substantially all of the assets of our Nevada subsidiaries that are necessary for the development, construction or operation of Le Rêve. We expect that the financing documents for the Macau opportunity will similarly involve the granting of security in substantially all of the assets of Wynn Macau.

In the event of a default by any of our subsidiaries under their financing documents, or if certain of our subsidiaries experience insolvency, liquidation, dissolution or reorganization, the holders of indebtedness under the credit facilities, the FF&E facility, the indenture governing the second mortgage notes and any other secured debt instruments would be entitled to payment from their collateral security, and holders of the unsecured debt of both us and our subsidiaries, if any, would then be entitled to payment in full from our remaining assets before distributions, if any, were made to Wynn Resorts' stockholders.

**The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will contain covenants that will restrict our Nevada subsidiaries' ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.**

The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will impose operating and financial restrictions on Wynn Las Vegas, Wynn Capital and specified affiliates designated as restricted entities. The restrictions that will be imposed under these debt instruments will include, among other things, limitations on the restricted entities' ability to:

pay dividends or distributions on their capital stock or repurchase their capital stock;

incur additional debt;

make investments;

create liens on their assets to secure debt;

enter into transactions with affiliates;

enter into sale-leaseback transactions;

engage in other businesses;

merge or consolidate with another company;

transfer and sell assets;

issue preferred stock;

create dividend and other payment restrictions affecting subsidiaries;

designate restricted and unrestricted subsidiaries; and

issue and sell equity interests in wholly owned subsidiaries.

The credit facilities will require Wynn Las Vegas and the restricted entities to satisfy various financial covenants, including maximum total leverage, minimum fixed charge coverage, minimum earnings before interest, tax, depreciation and amortization and minimum net worth requirements. Future indebtedness or other contracts could contain financial or other covenants more restrictive than those applicable to the credit facilities, the FF&E facility and the second mortgage notes.

The ability of Wynn Las Vegas and the restricted entities to comply with these provisions may be affected by general economic conditions, industry conditions, other events beyond their control and delayed completion of Le Rêve. As a result, we cannot assure you that Wynn Las Vegas and the restricted entities will be able to comply with these covenants. Failure by Wynn Las Vegas and the restricted entities to comply with the covenants contained in the credit facilities, the FF&E facility or the indenture governing the second mortgage notes, including failure as a result of events beyond their control, could result in an event of default, which could materially and adversely affect our operating results and our financial condition. If Wynn Las Vegas and the restricted entities fail to comply with a financial covenant or other restriction contained in the credit facilities, the FF&E facility, the indenture governing the second mortgage notes or any future financing agreements, an event of default could occur, which could result in acceleration of all of Wynn Las Vegas' and the restricted entities' indebtedness.

### **General Risks Associated with Our Business**

#### **We have no operating history.**

We were formed principally to develop and operate Le Rêve in Las Vegas and to pursue the Macau opportunity. Le Rêve and the Macau opportunity will be new developments with no history of operations. We cannot assure you that we will be able to attract a sufficient number of hotel guests, gaming customers and other visitors to Le Rêve or the Macau casino(s) to make their operations profitable, either independently in Las Vegas or Macau or as a whole.

Our operations will be subject to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by new businesses in competitive environments, many of which are beyond our control. Because we have no operating history, it may be more difficult for us to prepare for and respond to these types of risks and the risks described elsewhere in this prospectus than for a company with an established business and operating cash flow. If we are not able to manage these risks successfully, it could negatively impact our operations.

We intend to lease approximately eight of the retail spaces at Le Rêve and will own and operate the remaining approximately 18 retail spaces. We have entered into one restaurant management agreement, and we may enter into others with respect to one or more of the restaurants at Le Rêve. We have not yet entered into binding agreements with any retail tenants or other restaurant operators, and we may not be able to obtain the number or quality of retail tenants or restaurant operators for the retail and restaurant portions of Le Rêve that currently are planned. If we do not obtain tenants and operators in sufficient number or of sufficient quality, it could impair the competitive position of Le Rêve and affect our operating performance.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Until construction of Le Rêve is close to completion, we do not believe that we will require extensive operational management. Accordingly, we have kept and intend to keep our permanent management staff at relatively low levels. We will be required to undertake a major recruiting program before Le Rêve opens. However, the pool of experienced gaming and other personnel is limited and competition to recruit and retain gaming and other personnel is likely to intensify as competition in the Las Vegas hotel casino market increases. We cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate Le Rêve on acceptable terms.

### **The loss of Stephen A. Wynn could significantly harm our business.**

Our ability to maintain our competitive position is dependent to a large degree on the efforts and skills of Stephen A. Wynn, the Chairman of the Board and Chief Executive Officer and one of the principal stockholders of Wynn Resorts. We have entered into an employment agreement with Mr. Wynn. However, we cannot assure you that Mr. Wynn will remain with us. If we lose the services of Mr. Wynn, or if he is unable to devote sufficient attention to our operations, our business may be significantly impaired. In addition, if Mr. Wynn is no longer either employed by us as Chief Executive Officer or serving as Chairman of the Board of Wynn Resorts, other than as a result of death or disability or other limited circumstances, it would constitute a change of control that requires us to repay the second mortgage notes and would constitute an event of default under the credit facilities and the FF&E facility.

### **The casino, hotel, convention and other facilities at Le Rêve will face intense competition.**

*Las Vegas Casino/Hotel Competition.* The casino/hotel industry is highly competitive. Resorts located on or near the Las Vegas Strip compete with other Las Vegas Strip hotels and

19

---

with other hotel casinos in Las Vegas on the basis of overall atmosphere, range of amenities, level of service, price, location, entertainment, theme and size. Le Rêve also will compete with a large number of other hotels and motels located in and near Las Vegas, as well as other resort destinations. Many of our competitors have established gaming operations, are subsidiaries or divisions of large public companies and may have greater financial and other resources than we do.

According to the Las Vegas Convention and Visitors Authority, there were approximately 94,277 hotel rooms on or around the Las Vegas Strip as of December 31, 2001. Competitors of Le Rêve will include resorts on the Las Vegas Strip, among which are Bally's Las Vegas, Bellagio, Caesars Palace, Harrah's Las Vegas Hotel and Casino, Luxor Hotel and Casino, Mandalay Bay Resort & Casino, MGM Grand Hotel and Casino, The Mirage, Monte Carlo Hotel and Casino, New York-New York Hotel and Casino, Paris Las Vegas, Treasure Island at The Mirage and The Venetian, and resorts off the Las Vegas Strip, such as Las Vegas Hilton, The Palms Casino Resort and Rio All-Suite Hotel & Casino. The Venetian has begun an expansion anticipated to consist of an approximately 1,000-room hotel tower on top of the resort's existing parking garage and approximately 150,000 square feet of additional meeting and conference space. The Venetian's expansion is expected to be completed by June 2003. In addition, Mandalay Bay Resort & Casino has announced that it will begin construction of a 1,122-room, all-suite tower connected to the current hotel casino resort in September 2002, with an expected opening in October 2003. Mandalay Bay Resort & Casino also is expected to open a new convention and meeting complex in January 2003, and Caesars Palace is currently constructing an approximately 4,000-seat performing arts "Colosseum," which is scheduled to be completed in the first quarter of 2003. Moreover, MGM Mirage has announced that it will begin construction in mid-2003 of an approximately 925-room "spa tower" addition to Bellagio, as well as expand Bellagio's spa and salon, meeting space and retail space, with an expected completion in December 2004.

The construction and expansion of these properties during the time that Le Rêve is being constructed may affect the availability of construction labor and supplies, resulting in increased costs. We cannot assure you that the Las Vegas market will continue to grow or that hotel casino resorts will continue to be popular. A decline or leveling off of the growth or popularity of hotel casino resorts or the appeal of the features offered by Le Rêve would impair our financial condition and future results of operations.

As noted elsewhere in this prospectus, Le Rêve will be different from many other Las Vegas resorts in that it will not focus on a highly themed experience. Instead, Le Rêve will offer an environment having a sophisticated, casually elegant ambience. Le Rêve's environment may not appeal to customers. In addition, customer preferences and trends can change, often without warning, and we may not be able to predict or respond to changes in customer preferences in time to adapt Le Rêve and the attractions and amenities it offers to address new trends.

*Other Competition for Le Rêve.* Le Rêve also will compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, with riverboat gaming facilities in other states, with hotel/casino facilities elsewhere in the world, with state lotteries and with Internet gaming. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas. Passage of the Tribal Government Gaming and Economic Self-Sufficiency Act in 1988 has led to rapid increases in Native American gaming operations. Also, in March 2000, California voters approved an amendment to the California Constitution allowing federally recognized Native American

tribes to conduct and operate slot machines, lottery games and banked and percentage card games on Native American land in California. As a result, casino-style gaming on tribal lands is growing and could become a

significant competitive force. The proliferation of Native American gaming in California could have a negative impact on our operations. The proliferation of gaming activities in other areas could significantly harm our business as well. In particular, the legalization of casino gaming in or near metropolitan areas, such as New York, Los Angeles, San Francisco and Boston, from which we intend to attract customers, could have a substantial negative effect on our business. In addition, new or renovated casinos in Macau or elsewhere in Asia could draw Asian gaming customers, including high-rollers, away from Las Vegas. See "Business The Macau Opportunity Competition within Macau and from Regional Markets."

**Because we may be entirely dependent upon a limited number of properties for all of our cash flow, we will be subject to greater risks than a gaming company with more operating properties.**

We do not expect to have material assets or operations other than Le Rêve and Wynn Macau's casino(s) for the foreseeable future. As a result, we likely will be entirely dependent upon Le Rêve and the Macau casino(s) for all of our cash flow.

Given that our operations initially will only focus on one property in Las Vegas and one property in Macau, we will be subject to greater degrees of risk than a gaming company with more operating properties. The risks to which we will have a greater degree of exposure include the following:

local economic and competitive conditions;

inaccessibility due to inclement weather, road construction or closure of primary access routes;

changes in local and state governmental laws and regulations, including gaming laws and regulations;

natural and other disasters;

an increase in the cost of electrical power for Le Rêve as a result of, among other things, power shortages in California or other western states with which Nevada shares a single regional power grid;

a decline in the number of visitors to Las Vegas or Macau; and

a decrease in gaming and non-gaming activities at Le Rêve or Wynn Macau's casino(s).

Any of the factors outlined above could negatively affect our subsidiaries' ability to generate sufficient cash flow to make payments on the second mortgage notes pursuant to the indenture, on borrowings under the credit facilities or the FF&E facility or with respect to our subsidiaries' other debt.

**Terrorism and the uncertainty of war, as well as other factors affecting discretionary consumer spending, may harm our operating results.**

The strength and profitability of our business will depend on consumer demand for hotel casino resorts in general and for the type of luxury amenities Le Rêve will offer. Changes in consumer preferences or discretionary consumer spending could harm our business. The terrorist attacks of September 11, 2001, and ongoing terrorist and war activities in the United States and elsewhere, have had a negative impact on travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which the events of September 11, 2001 may continue to affect us, directly or indirectly, in the future. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel and business conventions could significantly harm our operations. In particular, because we expect

that our business will rely heavily upon high-end credit customers, particularly international customers, factors resulting in a decreased propensity to travel internationally, like the terrorist attacks of September 11, 2001, could have a negative impact on our operations.

In addition to fears of war and future acts of terrorism, other factors affecting discretionary consumer spending, including general economic conditions, disposable consumer income, fears of recession and consumer confidence in the economy, may negatively impact our business. Negative changes in factors affecting discretionary spending could reduce customer demand for the products and services we will offer, thus imposing practical limits on pricing and harming our operations.

Also, the terrorist attacks of September 11, 2001 have substantially affected the availability of insurance coverage for certain types of damages or occurrences. We do not have insurance coverage for occurrences of terrorist acts with respect to our Le Rêve project and any losses that could result from these acts. The lack of sufficient insurance for these types of acts could expose us to heavy losses in the event that any damages occur, directly or indirectly, as a result of terrorist attacks and have a significant negative impact on our operations.

**Le Rêve and Wynn Macau's casino(s) will be subject to extensive state and local regulation, and licensing and gaming authorities have significant control over their operations, which could have a negative effect on our business.**

The opening and operation of Le Rêve and Wynn Macau's casino(s) will be contingent upon our receipt and maintenance of all regulatory licenses, permits, approvals, registrations, findings of suitability, orders and authorizations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to the responsibility, financial stability and character of the owners and managers of gaming operations, as well as persons financially interested or involved in gaming operations. The scope of the approvals required to open and operate a facility is extensive. Failure to obtain or maintain the necessary approvals could prevent or delay the completion or opening of all or part of the facility or otherwise affect the design and features of Le Rêve or the Macau casino(s). We do not currently hold any state and local licenses and related approvals necessary to conduct our planned gaming operations in Nevada and we cannot be certain that we will obtain at all, or on a timely basis, all required approvals and licenses. Failure to obtain or maintain any of the required gaming approvals and licenses could significantly impair our financial position and results of operations.

The Nevada Gaming Commission may, in its discretion, require the holder of any securities we issue, including the common stock sold pursuant to this prospectus, to file applications, be investigated and be found suitable to own Wynn Resorts' securities if it has reason to believe that the security ownership would be inconsistent with the declared policies of the State of Nevada.

In Macau, concessionaires are subject to ongoing suitability requirements in terms of background, business experience, associations and reputation, as are stockholders of 5% or more of the concessionaire's equity securities, officers, directors and key employees. The government of Macau also evaluates concessionaires in terms of financial capability to sustain a gaming business in Macau. Failure to maintain the government's requirements to own or operate a gaming concession could prevent Wynn Macau from opening or continuing to operate casinos in Macau.

Nevada regulatory authorities have broad powers to request detailed financial and other information, to limit, condition, suspend or revoke a registration, gaming license or related approval and to approve changes in our operations. Substantial fines or forfeiture of assets

for violations of gaming laws or regulations may be levied. The suspension or revocation of any license which may be granted to us or the levy of substantial fines or forfeiture of assets could significantly harm our business, financial condition and results of operations. Furthermore, compliance costs associated with gaming laws, regulations and licenses are significant. Any change in the laws, regulations or licenses applicable to our business or a violation of any current or future laws or regulations applicable to our business or gaming license could require us to make substantial expenditures or could otherwise negatively affect our gaming operations.

Wynn Resorts' articles of incorporation provide that, to the extent a gaming authority makes a determination of unsuitability or to the extent deemed necessary or advisable by the board of directors, Wynn Resorts may redeem shares of its capital stock that are owned or controlled by an unsuitable person or its affiliates. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as Wynn Resorts elects. See "Risks Related to the Offering We may redeem your shares due to regulatory considerations, either as required by gaming authorities or in our discretion."

**The Nevada Gaming Commission may require the disposition of shares of certain stockholders of Wynn Resorts in a manner that may cause us to incur debt or disrupt our stock price.**

Kazuo Okada is the owner of a controlling interest in Aruze Corp., the parent company of Aruze USA, Inc., referred to as Aruze USA, which, before giving effect to the closing of this offering, owns approximately 47.4% of Wynn Resorts' common stock. Under the Nevada gaming regulations, any beneficial owner of more than 10% of Aruze Corp.'s voting securities must be licensed or found suitable in respect of Aruze USA's ownership interest in Wynn Resorts, including Kazuo Okada and his son, Tomohiro Okada. Kazuo Okada is currently licensed by the Nevada Gaming Commission to own the shares of Universal Distributing of Nevada, Inc., referred to as Universal Distributing, a gaming machine manufacturer and distributor. Kazuo Okada and his son previously sought approval from the Nevada Gaming Commission in connection with the proposed transfer of Universal Distributing to Aruze Corp. In connection with this application, the Nevada State Gaming Control Board raised certain concerns, including transactions which were then the subject of a pending tax case in Japan which involved Universal Distributing, Aruze Corp. and other related parties. The lower court in the Japanese tax case ruled in Aruze Corp.'s favor, but the Japanese tax authority has filed an appeal. It is unclear whether or how these events will affect the Nevada Gaming Commission's consideration of suitability with respect to Aruze USA's ownership of Wynn Resorts' stock.

Aruze Corp. has informed us that there are a number of outstanding issues in the Nevada State Gaming Board's investigation of the proposed transfer of Universal Distributing in addition to the issues relating to the transactions involved in the above-described tax proceeding. These issues, together with issues relating to the Japanese tax proceeding, if not satisfactorily resolved, could result in the denial of the application. No formal action of any kind has been taken by the Nevada State Gaming Control Board or the Nevada Gaming Commission in connection with these issues. The Nevada State Gaming Control Board and Aruze have agreed to defer the pursuit of the proposed transfer of Universal Distributing until or after the applications regarding Le Rêve have been acted upon. If the Nevada State Gaming Control Board or the Nevada Gaming Commission were to act adversely with respect to the pending proceeding involving Universal Distributing, that decision could adversely affect an application filed by Aruze USA, Aruze Corp., Kazuo Okada or Tomohiro Okada in respect of Wynn Resorts.

23

---

If any gaming application of Aruze USA, Aruze Corp. or Kazuo Okada concerning Aruze USA's ownership of Wynn Resorts' stock is denied by Nevada gaming authorities or requested to be withdrawn or is not filed within 90 days after the filing of Wynn Resorts' application, then, under certain circumstances, Wynn Resorts has the right to require Mr. Wynn to purchase the shares owned by Aruze USA in Wynn Resorts, including with a promissory note, or the right to purchase the shares directly with a promissory note. If we are required to purchase the shares held by Aruze USA, we may have to seek equity financing for such a purchase or issue a promissory note to Aruze USA. Any such debt obligation on our balance sheet may negatively affect the price of our common stock. See "Certain Relationships and Related Transactions Stockholders Agreement" and " Buy-Out of Aruze USA Stock."

Moreover, if the Nevada Gaming Commission were to determine that Aruze USA is unsuitable to hold a promissory note issued by Wynn Resorts or Mr. Wynn, the Nevada Gaming Commission could order Aruze USA or its affiliate to dispose of its voting securities within a prescribed period of time that may not be sufficient to dispose of the securities in an orderly manner, which could have a negative effect on the price of the stock of Wynn Resorts.

If Aruze USA or its affiliate does not dispose of its voting securities within the prescribed period of time, or if Wynn Resorts fails to pursue all lawful efforts to require Aruze USA or its affiliate to relinquish its voting securities, including, if necessary, the immediate purchase of the voting securities for cash at fair market value, the Nevada Gaming Commission could determine that Wynn Resorts was unsuitable or could take disciplinary action against Wynn Resorts. Disciplinary action could result in the limitation, conditioning, suspension or revocation of any approvals or gaming licenses held by Wynn Resorts and/or the imposition of a significant monetary fine against Wynn Resorts. Any such disciplinary action could significantly impair our operations.

**Our Las Vegas business will rely on high-end, international customers to whom we may extend credit, and we may not be able to collect gaming receivables from our credit players.**

We expect that a significant portion of our table game revenue at Le Rêve will be attributable to the play of a limited number of international customers. The loss or a reduction in the play of the most significant of these customers could have a substantial negative effect on our future operating results. A downturn in economic conditions in the countries in which these customers reside could cause a reduction in the frequency of visits and revenue generated by these customers.

We will conduct our gaming activities at Le Rêve on a credit as well as a cash basis. This credit will be unsecured. Table games players typically will be extended more credit than slot players, and high-stakes players typically will be extended more credit than patrons who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end

gaming may have a positive or negative impact on cash flow and earnings in a particular quarter.

In addition, the collectibility of receivables from international customers could be negatively affected by future business or economic trends or by significant events in the countries in which these customers reside. We will extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit.

While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of Nevada, and judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the United States Constitution, other jurisdictions may determine

that direct enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the United States of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations. We cannot assure you that we will be able to collect the full amount of gaming debts owed to us, even in jurisdictions that enforce gaming debts. Our inability to collect gaming debts could have a significant negative impact on our operating results.

**Because we own real property, we are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.**

We have incurred costs and expended funds to comply with environmental requirements, such as those relating to discharges to air, water and land, the handling and disposal of solid and hazardous waste and the cleanup of properties affected by hazardous substances. Under these and other environmental requirements, we, as the owner of the property on which Le Rêve is situated, may be required to investigate and clean up hazardous or toxic substances or chemical releases at that property. As an owner or operator, we could also be held responsible to a governmental entity or third parties for property damage, personal injury and investigation and cleanup costs incurred by them in connection with any contamination.

These laws typically impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to rent or otherwise use our property.

We believe that we have remediated all material environmental risks of which we are currently aware at the Le Rêve hotel site and on the existing golf course. However, in connection with constructing the new golf course, which will require significant grading, we may discover unforeseen environmental risks which we will need to incur costs to remediate. In addition, we will incur costs associated with asbestos removal from an existing office building in the event we decide to develop the 20-acre parcel of land located north of Le Rêve along Las Vegas Boulevard that will be available for future development should it be released from the liens under the credit facilities and the second mortgage notes. We may be required to incur costs to remediate these or other potential environmental hazards or to mitigate environmental risks.

Wynn Macau will be subject to environmental laws and regulations in Macau, including laws and regulations relating to the prevention and control of noise during construction. Costs expended by Wynn Macau to comply with these Macau environmental laws and regulations, such as to implement control procedures to prevent unlawful noise levels, may have a significant negative effect on the operating results of Wynn Macau. In addition, if the government of Macau holds Wynn Macau accountable and assesses penalties or imposes restrictions on Wynn Macau for non-compliance with environmental laws or regulations, Wynn Macau's results of operations could be negatively impacted or it could lose flexibility to adapt to changes affecting the operation of its business.

**If a third party successfully challenges our ownership of, or right to use, the Le Rêve service marks with respect to casino or hotel services, our business or results of operations could be harmed.**

We have applied to register the "LE RÊVE" service mark with the United States Patent and Trademark Office, referred to as the PTO, for casino and hotel services, as well as for other ancillary uses. Our application for hotel services has cleared the PTO examination process,

meaning that "LE RÊVE" will be registered for hotel and other related services if no member of the public formally opposes our application for registration by a published deadline. Our application for casino services remains pending, and we expect it to be published for opposition soon.

Even if we are able to obtain registration of the "LE RÊVE" mark for the above described services, such federal registration is not completely dispositive of the right to such service marks. Third parties who claim prior rights with respect to marks similar to "LE RÊVE", or the English translation "THE DREAM," may nonetheless challenge our use of "LE RÊVE" and seek to overcome the presumptions afforded by such registrations. They also could attempt to prevent our use of "LE RÊVE" and/or seek monetary damages as a result of our use. A successful challenge by a third party with respect to our ownership of, or right to use, the mark could have a material impact on our business or results of operation.

**Our subsidiaries will need to recruit a substantial number of new employees before Le Rêve or Wynn Macau's Macau project(s) open and these employees may seek unionization.**

Our subsidiaries will need to recruit a substantial number of new employees before Le Rêve or Wynn Macau's casino(s) open and the employees in Las Vegas and Macau may seek union representation. We cannot be certain that our subsidiaries will be able to recruit a sufficient number of qualified employees. Currently, Valvino is a party to collective bargaining agreements with several different unions, which it assumed in connection with the acquisition of the Desert Inn Resort & Casino. All of these agreements will expire before the scheduled opening of Le Rêve. However, the unions may seek to organize the workers at Le Rêve or claim that the agreements assumed in connection with Valvino's acquisition of the Desert Inn Resort & Casino obligate Wynn Las Vegas to enter into negotiations with one or more of the unions to represent the workers at Le Rêve. In addition, any employees that Wynn Resorts' Macau-related subsidiaries might employ could also seek to collectively negotiate the terms and conditions of their employment with Wynn Resorts' Macau-related subsidiaries. Unionization, pressure to unionize or other forms of collective bargaining could increase our subsidiaries' labor costs.

**We will be subject to regulatory control by the Public Utilities Commission of Nevada.**

Desert Inn Improvement Co., a direct subsidiary of Desert Inn Water Company and an indirect subsidiary of Wynn Resorts, provides water service to the existing office building on the site of the former Desert Inn Resort & Casino and the remaining homes around the Desert Inn golf course. As a result of its service obligations to the remaining homes, Desert Inn Improvement Co. is a public utility under Nevada law and will be subject to typical public utility regulation. For example, if Desert Inn Improvement Co. desires to change its filed rates or tariffs or encumber, sell or lease its real property, it will likely be required to obtain the prior approval of the Public Utilities Commission of Nevada. The public utility status of Desert Inn Improvement Co. also imposes broader regulatory restrictions on us. For example, if we decide to make changes to our ownership structure, such as in a merger or acquisition transaction or a significant stock issuance, or a sale of Aruze USA's shares of Wynn Resorts' common stock in the event that Aruze USA is found to be unsuitable to own such stock, we will likely be required to obtain the prior approval of the Public Utilities Commission of

Nevada. We cannot assure you that any such approvals will be obtained. Further, with respect to any other changes or transactions which we may enter into in the future, we cannot assure you that regulatory requirements will not delay or prevent us from entering into transactions or conducting our business in a manner that might be beneficial to our stockholders.

**The Le Rêve golf course land may be subject to restrictions which could prevent us from constructing the new golf course in accordance with our current plans and may inhibit future development of that land.**

We intend to construct the new golf course on an approximately 137-acre parcel of land located behind the hotel. Valvino acquired a portion of this parcel in connection with its purchase of the Desert Inn Resort & Casino and acquired the remainder when it purchased the residential lots located in the interior of, and some, but not all, of the lots around the former Desert Inn golf course. The residential lots, previously known as the Desert Inn Country Club Estates, were subject to various conditions, covenants and restrictions recorded against the lots in 1956 and amended from time to time since then. We believe that these conditions, covenants and restrictions were terminated in accordance with Nevada law in June 2001. However, some of the remaining homeowners have brought a lawsuit against Valvino challenging, among other things, the termination of the covenants, conditions and restrictions. If the plaintiffs prevail on their claims and the conditions, covenants and restrictions remain in effect, we may have to adjust our current plans for the construction of the golf course by redesigning some of the holes located on the periphery of the course.

In addition, at least two of the homeowners have alleged the existence of an equitable implied restriction prohibiting any alternative commercial development of the golf course. If the plaintiffs prevail on this claim, any future development of the golf course parcel for an alternative use may be restricted. Valvino is vigorously contesting the homeowners' claims and will continue to do so. See "Business Legal

Proceedings."

**We continue to explore opportunities to develop additional gaming or related businesses that could have an adverse impact on our business if unsuccessful.**

We continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any acquisition, investment or development could be expensive, disrupt our ongoing business, distract our management and employees and/or adversely affect our financial results. In addition, any expansion of our business through acquisition, investment or development would likely require us to obtain additional financing and/or consent from the lenders under the credit facilities and the holders of the second mortgage notes. Acquisitions also may present other risks, such as exposing our company to potential unknown liabilities associated with acquired businesses. Any acquisition or development may not be successful in achieving our desired strategic objectives, which also would cause our business to suffer.

**A downturn in general economic conditions may adversely affect our results of operations.**

Our business operations will be affected by international, national and local economic conditions. A recession or downturn in the general economy, or in a region constituting a significant source of customers for our property, could result in fewer customers visiting our property, which would adversely affect our revenues.

27

---

#### **Risks Associated with the Macau Opportunity**

**Wynn Macau may determine not to go forward with the Macau opportunity at any time, possibly resulting in the loss of a significant investment.**

We have already invested a total of \$23.8 million in Wynn Macau. In addition, we intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau and to arrange for significant additional financing.

Wynn Macau has begun planning the development of the initial phase of its first casino resort. However, it will not begin construction or operation of any casino in Macau until a number of objectives and conditions are met. Such objectives and conditions include, among other things, the following:

obtaining the necessary debt and/or additional equity financing to fund the development, design and construction of any casino or casinos in Macau;

obtaining the ability, through legislative and regulatory changes, to extend credit to gaming customers and enforce gaming debts in Macau; and

obtaining relief, through legislative and/or executive actions, from the complementary income tax and the withholding tax on dividends imposed in Macau.

Based on discussions with Macau government officials, we understand that the Macau government will introduce proposed legislation by early 2003 that, if passed, would enable Wynn Macau to extend credit to gaming customers and enforce gaming debts in Macau, and would provide tax relief from the complementary income tax and withholding tax on dividends imposed in Macau. However, we cannot assure you that such proposed legislative changes will be enacted.

Wynn Macau will not begin construction or operation of any casino in Macau if any of these objectives and conditions cannot be adequately resolved. If Wynn Macau determines not to go forward with the Macau opportunity, Wynn Resorts may lose its significant investment in Wynn Macau.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

The concession agreement does not contain a provision permitting Wynn Macau to terminate the concession agreement unilaterally or permitting Wynn Macau to cease the development or operation of casino(s) in Macau for any of the reasons described above. The obligations under the Macau concession agreement are those of Wynn Resorts' indirect subsidiary, Wynn Macau. Accordingly, Wynn Macau might be found liable for the balance of its obligation to invest a total of 4 billion patacas (approximately US \$500 million) in Macau-related projects. Depending on the amount of Wynn Macau's liability, Wynn Macau may not have sufficient assets to satisfy such liability. In such circumstances, Wynn Resorts would lose its entire investment in Wynn Macau.

### **If Wynn Macau builds and operates one or more casinos in Macau, it will be subject to considerable risks, including risks related to Macau's untested regulatory framework.**

*Untested Foreign Regulatory Framework.* If Wynn Macau constructs or operates one or more casinos in Macau, its operations will be subject to unique risks, including risks related to Macau's untested regulatory framework. In light of the untested regulatory framework, Wynn Macau may need to develop operating procedures which are different from those used in United States casinos. Failure to adapt to the regulatory and gaming environment in Macau could result in the revocation of Wynn Macau's concession or otherwise negatively affect its operations in Macau. Moreover, Wynn Resorts would be subject to the risk that Macau's gaming regulatory framework will not develop in a way that would permit Wynn Resorts, as

28

---

the parent entity of a United States gaming operator, to have its affiliates conduct operations in Macau in a manner consistent with the way in which Wynn Resorts intends, or the Nevada gaming authorities require Wynn Resorts, to conduct its operations in the United States.

*Political and Economic Conditions.* The success of Wynn Macau's operations in Macau would also depend on political and economic conditions in Macau. In December 1999, after approximately 450 years of Portuguese control, Portugal returned Macau to Chinese administration. The People's Republic of China re-established Macau as a special administrative region. As a result of this change in control, Macau's legislative, regulatory, legal, economic and cultural institutions are in a period of transition. We cannot predict how these systems and cultural institutions will develop or how developments would affect any gaming business Wynn Macau would conduct in Macau.

If Wynn Macau constructs and operates one or more casinos in Macau, its operations will be subject to significant political, economic and social risks inherent in doing business in an emerging market such as China. For example, fiscal decline and civil, domestic or international unrest in Macau, China or the surrounding region could significantly harm Wynn Macau's business, not only by reducing customer demand for casino resorts of the kind it would operate in Macau, but also by increasing the risk of imposition of taxes and exchange controls or other governmental restrictions that might impede its ability to repatriate funds. Some of the other risks involved in operating a business in Macau include:

the possible taking of Wynn Macau's property without payment of fair compensation;

the possible impositions of restrictions on foreign partnerships and alliances, foreign ownership and/or possible discrimination against foreign-owned business;

the potential inability to implement effective controls against infiltration by persons associated with, and effective methods to protect Wynn Resorts' Macau subsidiaries from unknowingly doing business with, reputed criminal organizations;

potential economic slowdowns in Hong Kong or China, on which Macau heavily relies for tourism and patronage of its existing casinos;

potential conflicts between local and national governments;

a possible competitive disadvantage due to the ownership of substantially all of the water ferry services and the helicopter shuttle service that link Macau to Hong Kong and Kowloon by Stanley Ho, who controls Sociedade de Jogos de Macau, the existing casino concessionaire and operator in Macau and one of Wynn Macau's competitors; and

the risks inherent in construction projects.

Any potential investment in Macau could be jeopardized by future developments, and we cannot assure you that activities Wynn Macau may plan in Macau will be permitted or feasible.

*Collection of Gaming Receivables.* Currently, Macau law does not permit casinos to extend credit or to enforce gaming debts. Even if the law in Macau is changed to permit casino operators to extend credit to gaming customers, Wynn Macau may not be able to collect all of its gaming receivables from its credit players. We expect that if Wynn Macau obtains the right to extend credit to its gaming customers, it will be able to enforce these obligations only in a limited number of jurisdictions, including Macau. To the extent that gaming customers of Wynn Macau are expected to be visitors from other jurisdictions, Wynn Macau may not have access to a forum in which it will be able to collect all of its gaming

29

---

receivables and because, among other reasons, courts of many jurisdictions do not enforce gaming debts, Wynn Macau may encounter forums that will refuse to enforce such debts. Wynn Macau's inability to collect gaming debts could have a significant negative impact on its operating results.

*Necessity of Expanding Transportation.* Because of additional casino projects which may be developed in the future, the hydrofoil ferry and helicopter services which provide transportation to and from Hong Kong may need to be expanded to service the increased visitation of Macau. If transportation facilities to and from Macau are inadequate to meet the demands of an increased volume of gaming customers visiting Macau, the desirability of Macau as a gaming destination, as well as the results of operations of Wynn Macau's casino resort(s) in Macau, could be negatively impacted.

*Extreme Weather Conditions.* Macau's subtropical climate and location on the South China Sea are subject to extreme weather conditions including typhoons and heavy rainstorms. Unfavorable weather conditions could negatively affect the profitability of Wynn Macau's casino resort(s) by disrupting its ability to timely construct its casino project(s) and by preventing guests from traveling to Macau.

*Potential Taxation of Investment in Macau.* Wynn Resorts' investment in Macau is owned through a number of wholly owned and partially owned domestic and foreign entities. Although we believe that transfers to these entities of the assets and stock of Wynn Macau were accomplished on a tax-free basis, there is a risk that the Internal Revenue Service could assert that any appreciation in the transferred assets or stock was taxable at the time of such transfers.

*Currency Exchange Controls and Currency Export Restrictions.* Currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of Wynn Macau. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the currency of China. Restrictions on the export of the renminbi may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact Wynn Macau's gaming operations.

*Foreign Corrupt Practices Act.* Wynn Resorts is subject to regulations imposed by the Foreign Corrupt Practices Act, or the FCPA, which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Any determination that Wynn Resorts has violated the FCPA could have a material adverse effect on us.

**If Wynn Macau builds and operates one or more casinos in Macau, certain Nevada gaming laws would apply to its planned gaming activities and associations in Macau.**

Certain Nevada gaming laws also apply to gaming activities and associations in jurisdictions outside the State of Nevada. As Wynn Macau develops its opportunity in Macau, Wynn Resorts and its subsidiaries that are licensed to conduct gaming operations in Nevada will be required to comply with certain reporting requirements concerning gaming activities and associations in Macau proposed to be conducted by Wynn Resorts' Macau-related subsidiaries. Wynn Resorts and its licensed Nevada subsidiaries also will be subject to disciplinary action by the Nevada Gaming Commission if Wynn Resorts' Macau-related subsidiaries:

knowingly violate any Macau laws relating to their Macau gaming operations;

30

fail to conduct the Macau operations in accordance with the standards of honesty and integrity required of Nevada gaming operations;

engage in any activity or enter into any association that is unsuitable for us because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to Nevada gaming policies;

engage in any activity or enter into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or

employ, contract with or associate with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of unsuitability, or who has been found guilty of cheating at gambling.

Such disciplinary action could include suspension, conditioning, limitation or revocation of the registration, licenses or approvals held by Wynn Resorts and its licensed Nevada subsidiaries, including Wynn Las Vegas, and the imposition of substantial fines.

In addition, if the Nevada State Gaming Control Board determines that any actual or intended activities or associations of Wynn Resorts' Macau-related subsidiaries may be prohibited pursuant to one or more of the standards described above, the Nevada State Gaming Control Board can require Wynn Resorts and its licensed Nevada subsidiaries to file an application with the Nevada Gaming Commission for a finding of suitability of the activity or association. If the Nevada Gaming Commission finds that the activity or association in Macau is unsuitable or prohibited, Wynn Resorts' Macau-related subsidiaries will either be required to terminate the activity or association, or will be prohibited from undertaking the activity or association. Consequently, should the Nevada Gaming Commission find that Wynn Resorts' Macau-related subsidiaries' gaming activities or associations in Macau are unsuitable, those subsidiaries may be prohibited from undertaking their planned gaming activities or associations in Macau, or be required to divest their investment in Macau, possibly on unfavorable terms.

The concession agreement into which Wynn Macau has entered with the government of Macau requires Wynn Macau to inform the government in the event that a stockholder owning 5% or more of the stock of Wynn Macau is subject to an investigation by a gaming authority outside of Macau that could lead to the suspension or revocation of any gaming license. The concession agreement also requires Wynn Macau to inform the government of Macau in the event that a stockholder owning 5% or more of the stock of Wynn Macau loses a gaming license.

**Macau casinos would face intense competition.**

The Macau government has granted concessions to operate casinos to three companies. Sociedade de Jogos de Macau, referred to as SJM, has been granted one of the concessions. SJM is controlled by Stanley Ho, who through another entity had controlled the monopoly concession to conduct the only gaming operations in Macau for approximately 40 years. SJM has the benefit of being the established gaming enterprise already in existence at eleven locations in Macau. SJM's casinos at the Hotel Lisboa and at the converted Jai Alai fronton are the largest casino facilities in Macau. In addition, SJM is reported to be planning a major remodeling of the Hotel Lisboa and, through a related entity, a new Fisherman's Wharf development, which will include a casino, in the vicinity of the Macau ferry terminal. Galaxy Casino Company Limited, referred to as Galaxy, also has been awarded a concession to operate casinos in Macau. Galaxy is a joint venture between an affiliate of the operators of The Venetian in Las Vegas and a group of Hong Kong investors, which, according to news

reports, has plans to build a major casino on Taipa, the island where Macau's international airport is located, and possibly other casinos. Although Wynn Macau's gaming business initially would compete with businesses to be operated by the two other casino concessionaires in Macau, the concession agreement into which Wynn Macau has entered with the Macau government permits the government to grant additional concessions for the operation of casinos after April 1, 2009. If the government of Macau awards additional concessions, Wynn Macau will face increased competition from local casino operators in Macau.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

New or renovated casinos in Macau operated by the other concessionaires would present increased competition and could negatively impact Wynn Macau's gaming business. SJM's concession permits it to renovate its existing casinos, as well as to develop new casinos.

Mr. Ho also controls, through affiliates, substantially all of the water ferry services and the helicopter shuttle service that link Macau to Hong Kong and Kowloon. In addition, affiliates of Stanley Ho control certain real estate and other assets, such as the Mandarin Oriental Hotel in Macau. Such businesses and assets could provide a competitive advantage for SJM.

Wynn Macau's gaming business would also face significant regional competition from casinos located in Asia, as well as from other major casino destinations around the world. For example, Genting Highlands Resort, an entertainment complex just outside of Kuala Lumpur, Malaysia, which currently has five hotels, a casino, a theme park, a golf and country club and other amenities, would compete with Wynn Resorts' casinos in Macau for travelers deciding among gaming destinations in Asia. In the event that new casino projects in Asia are completed, such as the proposed large-scale casino and entertainment complex to be built in Manila, Philippines, fewer gaming customers might visit Macau and the results of operations of Wynn Macau's casinos could be negatively affected.

For additional information about the competition that Wynn Macau's casino(s) will face, see "Business The Macau Opportunity Competition within Macau and from Regional Markets."

### **There are significant risks associated with construction projects that may prevent completion of Wynn Macau's casino(s) on budget and on schedule.**

Wynn Macau's construction of one or more casinos in Macau would entail significant risks associated with construction projects. These risks are similar to the risks we face in constructing Le Rêve. For examples of the construction risks that may apply to the Macau opportunity, see "Risks Associated with Our Construction of Le Rêve There are significant risks associated with major construction projects that may prevent completion of Le Rêve on budget and on schedule." We cannot assure you that Wynn Macau's casino(s) will commence operations on schedule or that construction costs for the Macau casino(s) will not exceed budgeted amounts. Failure to complete Wynn Macau's casino(s) on budget or on schedule could have a significant negative effect on us.

### **Unfavorable changes in currency exchange rates may increase Wynn Macau's obligations under the concession agreement and cause fluctuations in the value of our investment in Macau.**

The currency used in Wynn Macau's concession agreement with the government of Macau is the Macau pataca. The Macau pataca, which is not a freely convertible currency, is linked to the Hong Kong dollar, and in many cases the two are used interchangeably in Macau. The Hong Kong dollar is linked to the U.S. dollar and the exchange rate between these two currencies has remained relatively stable over the past several years. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar

32

---

and the U.S. dollar, are subject to potential changes due to, among other things, changes in Chinese governmental policies and international economic and political developments.

Because Wynn Macau's payment and expenditure obligations under the concession agreement are in Macau patacas, in the event of unfavorable Macau pataca or Hong Kong dollar rate changes, Wynn Macau's obligations, as denominated in U.S. dollars, would increase. In addition, because we expect that most of the revenue for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars, we are subject to foreign exchange risk with respect to the exchange rate between the Hong Kong dollar and the U.S. dollar. We have not yet determined whether we will engage in hedging activities to protect against foreign currency risk.

## **Risks Related to the Offering**

### **The price of our common stock after this offering may be lower than the offering price you pay and may be volatile.**

Before this offering, our common stock has not been sold in a public market. After this offering, an active trading market in our common stock might not develop. If an active trading market develops, it may not continue. Moreover, if an active market develops, the trading price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside of our control. Moreover, as construction of Le Rêve or Wynn Macau's casino progresses, developments in construction may cause fluctuation in the price of our common stock. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

These broad market fluctuations could negatively affect the market price of our common stock. A significant decline in our stock price could result in substantial losses for individual stockholders and could lead to costly and disruptive securities litigation. If you purchase shares of our common stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was negotiated with the representatives of the underwriters based upon a number of factors. The price of our common stock that will prevail in the market after this offering may be higher or lower than the offering price.

### **Substantial amounts of our common stock could be sold in the near future, which could depress our stock price.**

Before this offering, there has been no public market for our common stock. We cannot predict the effect, if any, that market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock prevailing from time to time. In addition, if Wynn Resorts is required by the Nevada gaming regulators to purchase securities owned or controlled by an unsuitable person or its affiliate, including Aruze USA, we may fund this purchase by the resale of all or some of these securities in a secondary offering. Immediately following the completion of this offering, Aruze USA will hold approximately 29.8% of our issued and outstanding common stock. A sale of all or some of Aruze USA's shares in a secondary offering could significantly reduce the market price of the common stock.

All of the outstanding shares of common stock belonging to officers, directors and other stockholders are currently "restricted securities" under the Securities Act. We expect that up to 40,000,000 shares of these restricted securities will be eligible for sale in the public market at prescribed times pursuant to Rule 144 under the Securities Act, or otherwise. We expect that 38,002,915 shares of these restricted securities, which are held by our affiliates, will be eligible for sale in the public market pursuant to Rule 144 under the Securities Act, or

33

---

otherwise, beginning in September 2003. Sales of a significant number of these shares of common stock in the public market could reduce the market price of our common stock.

### **Wynn Resorts has never paid dividends, does not intend to pay dividends in the foreseeable future and may not pay dividends to any unsuitable person or its affiliates.**

Wynn Resorts has never paid dividends and does not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain our earnings, if any, to use in our growth and ongoing operations. In addition, Wynn Resorts is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. However, the terms of the credit facilities, the FF&E facility and the indenture governing the second mortgage notes will restrict Wynn Resorts' subsidiaries' ability to provide funds to it. See "Description of Certain Indebtedness." Wynn Resorts' board of directors has the authority to issue one or more series of preferred stock without action of the stockholders. The issuance of preferred stock could have the effect of limiting dividends on the common stock. Wynn Resorts' articles of incorporation also prohibit the payment of dividends to anyone who is an unsuitable person or any affiliate of an unsuitable person. See "Description of Capital Stock Preferred Stock and Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration."

### **The officers, directors and substantial stockholders of Wynn Resorts may be able to exert significant control over its future direction.**

After this offering, Mr. Wynn and Aruze USA each will own approximately 29.8% of Wynn Resorts' outstanding common stock. As a result, Mr. Wynn and Aruze USA, to the extent they vote their shares in a similar manner, effectively will be able to control all matters requiring Wynn Resorts' stockholders' approval, including the approval of significant corporate transactions.

In addition, Mr. Wynn and Aruze USA, together with Baron Asset Fund, have entered into a stockholders agreement. Under the stockholders agreement, Mr. Wynn and Aruze USA have agreed to vote their shares of Wynn Resorts' common stock for a slate of directors, a majority of which will be designated by Mr. Wynn, of which at least two will be independent directors, and the remaining members of which will be designated by Aruze USA.

As a result of this voting arrangement, Mr. Wynn will, as a practical matter, control Wynn Resorts' board of directors. The stockholders agreement will continue to be in effect after the completion of this offering. The concentration of ownership and representation on Wynn Resorts' board of directors may delay, prevent or deter a change in control, could deprive Wynn Resorts' stockholders of an opportunity to receive a premium for their common stock as part of a sale of Wynn Resorts or its assets and might reduce the market price of Wynn Resorts' common stock. For more information about the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund, see "Certain Relationships and Related Transactions Stockholders Agreement" and "Ownership of Capital Stock."

**Investors will incur immediate and substantial dilution in the book value of their investment, and may incur further dilution depending on how we decide to finance Wynn Macau's opportunity in Macau.**

We expect the initial public offering price to be substantially higher than the net tangible book value per share of the outstanding common stock. If you purchase shares of our common stock, you will incur immediate and substantial dilution in the amount of \$4.05 in pro forma net tangible book value per share, based on an assumed initial public offering price of \$19.00 per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus.

34

---

It is expected that significant financing, in addition to this offering, will be needed to fund the development, construction and operation of one or more casinos in Macau. Wynn Macau has begun preliminary discussions to arrange the additional financing, and is considering different alternatives, including debt financing or additional equity financing at the Wynn Macau level or at the level of one of Wynn Macau's intermediary holding companies. If additional equity is raised at the Wynn Macau or intermediary holding company level, you would indirectly hold a smaller interest in Wynn Macau as the minority interest in the Macau-related entities increases. If Wynn Resorts decides to raise additional equity at the Wynn Resorts level to fund the Macau opportunity, you would suffer dilution of your interest in Wynn Resorts.

**Our anti-takeover provisions or provisions of Nevada law could prevent or delay a change in control of Wynn Resorts, even if a change of control would benefit our stockholders.**

Provisions of our articles of incorporation and bylaws, as well as provisions of Nevada law, could discourage, delay or prevent a merger, acquisition or other change in control of Wynn Resorts, even if a change in control would benefit our stockholders. These provisions:

classify our board of directors so that only one-third of the directors are elected each year and require the vote of 66 2/3% of the outstanding stock entitled to vote in the election of directors to amend these provisions;

authorize our board of directors to issue "blank check" preferred stock to increase the number of outstanding shares and thwart a takeover attempt;

eliminate the ability of an individual holder of our common stock to call special meetings of stockholders;

prohibit stockholder action by written consent and require that all stockholder actions be taken at a meeting of our stockholders;

establish advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and

require a super-majority directors' approval of the sale of all or substantially all of our assets, a voluntary dissolution or liquidation by us, or the filing of a voluntary petition of bankruptcy.

In addition, the Nevada Revised Statutes contain provisions governing the acquisition of a controlling interest in certain publicly held Nevada corporations. These laws provide generally that any person that acquires 20% or more of the outstanding voting shares of certain publicly held Nevada corporations, which we expect will include Wynn Resorts, in the secondary public or private market must follow certain formalities before such acquisition or they may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights in whole or in part. These laws provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the Nevada Revised Statutes, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. See "Description of Capital Stock Nevada Anti-Takeover Law and Certain Charter and Bylaw Provisions Nevada Control Share Laws."

After we become a registered company under Nevada's gaming laws, approval of the Nevada Gaming Commission must be obtained with respect to changes in control. A person that seeks to acquire control of a registered company must satisfy the Nevada gaming

authorities before assuming control of a registered company. The Nevada gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with a person proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction. See "Regulation and Licensing Approval of Changes in Control."

Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interest of, the corporation.

**We may redeem your shares due to regulatory considerations, either as required by gaming authorities or in our discretion.**

Wynn Resorts' articles of incorporation provide that, to the extent a gaming authority determines that you or your affiliates are unsuitable or to the extent deemed necessary or advisable by the board of directors, Wynn Resorts may redeem shares of its capital stock that you or your affiliates own or control. The redemption price will be the amount, if any, required by the gaming authority or, if the gaming authority does not determine the price, the sum deemed to be the fair value by the board of directors. If Wynn Resorts determines the redemption price, the redemption price will be capped at the closing price of the shares on the principal national securities exchange on which the shares are listed on the trading date on the day before the redemption notice is given. If the shares are not listed on a national securities exchange, the redemption price will be capped at the closing sale price of the shares as quoted on The Nasdaq National Market or SmallCap Market, or if the closing price is not reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. The redemption price may be paid in cash, by promissory note, or both, as required, and pursuant to the terms established by, the applicable gaming authority and, if not, as Wynn Resorts elects. However, if the gaming authorities were to find you or your affiliate unsuitable to own the voting securities of Wynn Resorts, it could also determine that you or your affiliate is unsuitable to hold a promissory note for the purchase of such voting securities by Wynn Resorts, and could determine not to approve the issuance of the promissory note to you or your affiliate. See "Risk Factors General Risks Associated with Our Business The Nevada Gaming Commission may require the disposition of shares of certain stockholders of Wynn Resorts in a manner that may cause us to incur debt or disrupt our stock price" and "Regulation and Licensing Redemption of Securities Owned by an Unsuitable Person."

## FORWARD-LOOKING STATEMENTS

Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus constitute forward-looking statements. These statements involve risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "estimate," "intend," "plan," "continue" or the negative of these terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. If one or more of the assumptions underlying our forward-looking statements proves incorrect, then actual results, levels of activity, performance or achievements could differ significantly from those expressed in, or implied by, the forward-looking statements contained in this prospectus. Therefore, we caution you not to place undue reliance on our forward-looking statements. Except as required by law, we do not intend to update or revise any of the forward-looking statements after the date of this prospectus to conform these statements to actual results. All forward-looking statements attributable to us are expressly qualified by these cautionary statements. Our forward-looking statements in this prospectus include, but are not limited to, statements relating to:

statements relating to our business strategy;

statements relating to our development, construction and operation of Le R ve;

expectations concerning future operations, margins, profitability, liquidity and capital resources; and

our current and future plans, including with respect to Wynn Macau's opportunity to develop one or more casinos in Macau.

These forward-looking statements are subject to risks, uncertainties, and assumptions about us and our operations that are subject to change based on various important factors, some of which are beyond our control. The following factors, among others, could cause our financial performance to differ significantly from the goals, plans, objectives, intentions and expectations expressed in our forward-looking statements:

risks associated with entering into a new venture and new construction, including our ability to construct and open Le Rêve and Wynn Macau's casino(s) on time and on budget;

competition and other planned construction in Las Vegas and Macau;

uncertainty of casino spending and vacationing in hotel casino resorts in Las Vegas and Macau;

occupancy rates and average room rates in Las Vegas and Macau;

demand for high-end, entertainment-related hotel and destination casino resorts in Las Vegas and Macau and changing resort preferences among high-end customers;

domestic and global economic, credit and capital market conditions;

leverage and debt service obligations, including sensitivity to fluctuations in interest rates;

37

---

our dependence on Stephen A. Wynn;

applications for licenses and approvals under applicable laws and regulations, including gaming laws and regulations;

changes in gaming laws or regulations, including the legalization or expansion of gaming in certain jurisdictions;

adverse outcomes of pending litigation or the possibility of new litigation;

risks associated with Macau's new gaming regulatory framework;

risks of doing business in foreign countries, such as Macau;

changes in federal or state tax laws or the administration of these laws;

regulatory or judicial proceedings;

the consequences of any future security alerts and/or terrorist attacks such as the attacks that occurred on September 11, 2001; and

a broad downturn in the economy in general.

### USE OF PROCEEDS

We expect to receive approximately \$414.7 million in net proceeds from the sale of shares of our common stock in this offering based on the sale of 23,685,000 shares at an assumed initial public offering price of \$19.00 per share, the mid-point of the initial public offering price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters exercise their over-allotment option in full, we expect our net proceeds to be approximately \$477.5 million.

Concurrent with the consummation of this offering:

- (1) Our wholly owned subsidiaries, Wynn Las Vegas and Wynn Capital, will jointly consummate an offering of second mortgage notes. We expect Wynn Las Vegas to receive approximately \$326.0 million in net proceeds from the second mortgage note offering, after deducting underwriting discounts and commissions and estimated offering expenses; and
- (2) Wynn Las Vegas will enter into a \$750.0 million revolving credit facility, a \$250.0 million delay draw term loan facility and a \$188.5 million FF&E facility. Wynn Las Vegas has received commitments for the credit facility and the delay draw term loan facility, and the placement agent for the FF&E facility has received commitments from the lenders who will enter into the FF&E facility. See "Description of Certain Indebtedness."

We intend to contribute to Wynn Las Vegas approximately \$374.7 million of the net proceeds from this offering and all of the existing cash on hand held by Valvino. Wynn Las Vegas intends to use those contributions together with the net proceeds from the second mortgage notes offering and borrowings under the revolving credit facility, delay draw term loan facility and FF&E facility to design, develop, construct, equip and open Le Rêve.

In addition, we intend to use up to \$40 million of the net proceeds from this offering as part of the financing of Wynn Macau to design, construct, develop, equip and operate one or more casino resorts in Macau.

Wynn Las Vegas will enter into a disbursement agreement with the agents under the credit facilities and the FF&E facility and the second mortgage note trustee which will require that Le Rêve project costs be funded first from contributions we will have made to Wynn Las Vegas, then from the net proceeds of the second mortgage notes offering and then from the other debt facilities. We expect Wynn Las Vegas to begin to request disbursements of the second mortgage note proceeds, subject to satisfaction of the conditions in the disbursement agreement, approximately ten to twelve months after the consummation of this offering and after expending all of the net proceeds of this offering contributed to it, other than the funds securing the completion guarantee and the funds to be deposited in the liquidity reserve account.

We expect that the funds provided by these sources and available cash will be sufficient to design, develop, construct, equip and open Le Rêve and to pay interest on borrowings under the credit facilities, the FF&E facility and the second mortgage notes until the scheduled opening of Le Rêve, assuming there are no significant delay costs or construction cost overruns for which we are responsible. We believe that the construction budget for Le Rêve is reasonable, but given the risks inherent in the construction process, it is possible that the costs of developing and constructing Le Rêve could be significantly higher. See "Risk Factors Risks Associated with Our Construction of Le Rêve," " Risks Related to Our Substantial Indebtedness," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the accompanying notes.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

If the underwriters exercise their over-allotment option in this offering, we may use the additional net proceeds for general corporate purposes, including for unanticipated construction and debt service expenses relating to Le Rêve and for additional expenditures related to the Macau opportunity. We may, but are not obligated to, contribute these funds to Wynn Las Vegas.

Pending application of the net proceeds as described above, we intend to invest the net proceeds in short-term highly rated securities.

Of the \$374.7 million in net proceeds from this offering that Wynn Resorts will contribute to Wynn Las Vegas, \$50 million will be contributed to a special purpose subsidiary of Wynn Las Vegas which will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to support that subsidiary's obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly rated securities, and pledged to the senior lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement that will govern the disbursement of funds from our debt facilities to fund Le Rêve project costs, these funds will become available to Wynn Las Vegas on a gradual basis to apply to the costs of the project only after fifty percent of the Le Rêve construction work has been completed. After the completion and opening of Le Rêve, any amounts remaining in this account will be released to Wynn Resorts.

In addition, of the \$374.7 million in net proceeds from this offering that Wynn Resorts will contribute to Wynn Las Vegas, \$30 million will be held in a liquidity reserve account and pledged to the lenders under the credit facilities and the second mortgage note holders to secure Wynn Las Vegas' obligation to develop and construct Le Rêve. Until the opening of Le Rêve, these funds may be applied to the costs of the project in accordance with the disbursement agreement. Following the completion and opening of Le Rêve, these funds will be available to meet Wynn Las Vegas' debt service needs in connection with Le Rêve. Once Wynn Las Vegas has met prescribed cash flow tests for a period of four consecutive fiscal quarters after the completion and opening of Le Rêve, any remaining funds will be used to reduce the outstanding balance of the revolving credit facility, but without reducing the revolving credit facility commitment.

Approximately \$294.7 million of the \$374.7 million in net proceeds from this offering that Wynn Resorts will contribute to Wynn Las Vegas will be used, along with the cash on hand that Valvino will contribute to Wynn Las Vegas, to fund the development and construction of Le Rêve, including pre-opening and debt service payments. We expect that these net proceeds will be used to fund the initial phases of construction of Le Rêve, including contractor monthly payment applications, design fees and operational payroll.

The following table sets forth estimated sources and uses of funds to design, develop, construct, equip and open Le Rêve and for other operations related primarily to the Le Rêve project and includes certain amounts invested and reserved for investment in connection with the financing of the design, construction, development, equipping and operation of one or more casinos in Macau; however, substantial additional financing will be required for the Macau opportunity. The table includes all sources and uses of funds since the inception of Wynn Resorts and our subsidiaries. The table assumes that the financing transactions, including this offering, closed on October 1, 2002. For purposes of calculating total construction costs, the revolving credit facility balance and interest and commitment fees, this

40

table also includes certain final construction cost payments that we assume will be made after the opening of Le Rêve.

| Sources (in millions)         |          | Uses (in millions)             |          |
|-------------------------------|----------|--------------------------------|----------|
| Revolving credit facility     | \$ 713.2 | Construction costs:            |          |
| Delay draw term loan facility | 250.0    | Marnell Corrao contract        | \$ 919.3 |
| FF&E facility                 | 188.5    | Interior design, related FF&E, |          |
| Second mortgage notes         | 340.0    | signage and electronic         |          |
| Equity contributions (1)      | 1,036.1  | systems                        | 303.0    |
| Interest income (2)           | 24.0     | Design and engineering fees    | 67.4     |
| Other income (3)              | 5.4      | Golf course                    | 21.5     |
|                               |          | Parking garage                 | 11.5     |
|                               |          | Government approvals & permits | 13.8     |
|                               |          | Insurance                      | 13.9     |
|                               |          | Miscellaneous capital projects | 23.8     |
|                               |          |                                | 6.3      |

# Edgar Filing: WYNN RESORTS LTD - Form S-1/A

| Sources (in millions) |            | Uses (in millions)                           |            |
|-----------------------|------------|--|------------|
|                       |            | Construction period<br>utilities & security  |            |
|                       |            | Additional contingency (4)                   | 26.7       |
|                       |            |  |            |
|                       |            | Total construction costs                     | \$ 1,407.2 |
|                       |            | Land and buildings (5)                       | 318.5      |
|                       |            | Pre-opening costs                            | 158.0      |
|                       |            | Owner-acquired FF&E                          | 122.9      |
|                       |            | Entertainment production costs               | 24.4       |
|                       |            | Other expenditures (6)                       | 11.9       |
|                       |            | Aircraft acquisition and                     | 38.7       |
|                       |            | loan repayment (7)                           |            |
|                       |            | Interest and commitment fees (8)             | 205.3      |
|                       |            | Working capital needs at opening             | 35.5       |
|                       |            | Construction completion guarantee            | 50.0       |
|                       |            | Liquidity reserve                            | 30.0       |
|                       |            | Investment in Macau (9)                      | 23.8       |
|                       |            | Reserved for future investment in Macau (10) | 40.0       |
|                       |            | Transaction fees and expenses (11)           | 91.0       |
|                       |            |  |            |
| Total Sources         | \$ 2,557.2 | Total Uses                                   | \$ 2,557.2 |

- (1) Includes (a) Valvino member net contributions of approximately \$586.1 million and (b) the anticipated gross proceeds from this offering of approximately \$450 million.
- (2) Represents interest earned at the estimated LIBOR rate on our estimated cash balance through the scheduled opening of Le Rêve. Estimates of the LIBOR rate are based on current market projections of the LIBOR rate ranging from approximately 2% to 4%. Interest income shown has not been adjusted for taxes that will be payable on those amounts. Depending on the extent to which our expenses must be capitalized into the construction project rather than deducted currently, we may owe corporate income tax on our interest income.
- (3) Consists of net income from incidental operations, including our brief operation of the Desert Inn Resort & Casino by Valvino before the casino was closed, operation of the golf course on the site of the former Desert Inn Resort & Casino through June 30, 2002 and the collection of accounts receivable following the acquisition of the previous facility at the site.
- (4) Represents the owner's contingency with respect to the portions of the Le Rêve project not covered by the construction contract. This amount does not include the owner's contingency of approximately \$7.6 million under the construction contract.
- (5) Represents amounts previously expended to acquire land for the Le Rêve project, including the golf course land, buildings and water rights.

- (6) Consists primarily of operating costs of the previous facility at the Le Rêve site before closure of that facility and facility closure expenditures.
- (7) Represents (a) a purchase price of approximately \$38.2 million for the corporate aircraft, of which approximately \$9.7 million was paid in cash at the time of purchase and \$28.5 million was represented by a loan from Bank of America, N.A to World Travel, which Valvino acquired from Mr. Wynn, and (b) approximately \$0.5 million in interest payments on the Bank of America loan anticipated to be made prior to the closing of this offering. Borrowings under the FF&E facility, but not proceeds from this offering, will be used to repay the outstanding balance of this loan.
- (8)

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Includes interest expense on the second mortgage notes, and expected interest expense and commitment fees on the revolving credit facility, the delay draw term loan facility and the FF&E facility through the scheduled opening date of Le Rêve. Interest on the revolving credit facility, the delay draw term loan facility and the FF&E facility has been computed assuming a LIBOR rate ranging from approximately 2% to 4%, plus the applicable margin, which is a 4% margin for the revolving credit facility and the FF&E facility and a 4.25% margin for the delay draw term loan facility.

- (9) Represents expenditures and commitments in connection with negotiation of the Macau concession agreement, including Wynn Macau's share of a capital contribution required by Macau law. Does not include amounts necessary to finance the design, construction, development, equipping and operation of casino(s) in Macau.
- (10) We intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau as part of the financing of the Macau opportunity.
- (11) Includes fees and expenses related to (a) this offering, (b) the second mortgage note offering and (c) the revolving credit facility, the delay draw term loan facility and the FF&E facility.

42

---

### DIVIDEND POLICY

Wynn Resorts has never declared or paid cash dividends on its capital stock. We currently intend to retain all available funds and any future consolidated earnings to fund the development and growth of our business and, therefore, Wynn Resorts does not anticipate paying any cash dividends on its shares of common stock in the foreseeable future. Wynn Resorts is a holding company and, as a result, its ability to pay dividends is dependent on its subsidiaries' ability to provide funds to it. The credit facilities, the FF&E facility and the indenture governing the second mortgage notes will significantly restrict the ability of Wynn Las Vegas to make any dividends or distributions to Wynn Resorts. In addition, we expect that any financing arrangements entered into by Wynn Macau will contain similar restrictions. Wynn Resorts' future dividend policy will also depend on the requirements of any future financing agreements to which it may be a party and other factors considered relevant by its board of directors.

The Nevada Revised Statutes generally provide that distributions may not be made if after any distribution Wynn Resorts would not be able to pay its debts as they become due in the usual course of business or its total assets would be less than the sum of its total liabilities plus any amounts needed to satisfy the preferential rights of stockholders if it were dissolved at the time of the distribution. Wynn Resorts' board of directors has the authority to issue one or more series of preferred stock without actions of the stockholders. The issuance of preferred stock could have the effect of limiting dividends on the common stock. Wynn Resorts' articles of incorporation also prohibit the payment of dividends to anyone who is an unsuitable person or any affiliate of an unsuitable person. See "Description of Capital Stock Preferred Stock, and Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration."

43

---

### CAPITALIZATION

The following table sets forth Wynn Resorts' capitalization as of June 30, 2002:

on an actual basis (representing Valvino's long-term debt and members' equity);

on a pro forma basis to give effect on the closing date of this offering to the sale of 23,685,000 shares of Wynn Resorts' common stock in this offering at an assumed initial public offering price of \$19.00 per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus, the expected concurrent sale of \$340 million in aggregate principal amount of the second mortgage notes and the intended application of the net proceeds of both offerings, net of underwriting discounts and commissions and estimated expenses;

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

on a pro forma, as adjusted basis once all of the funding under the revolving credit facility, the delay draw term loan facility, the second mortgage note offering and the FF&E facility expected to be necessary for the construction of Le Rêve has occurred. See "Use of Proceeds." We have assumed that approximately \$713.2 million of the \$750 million revolving credit facility will be drawn for the construction of Le Rêve; and

in each case, without giving effect to any financing necessary to develop the Macau opportunity, except for Wynn Resorts' intended investment of up to \$40 million of the net proceeds from this offering in the Macau opportunity.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the accompanying notes.

| As of June 30, 2002<br>(in millions) |   |  |   |
|--------------------------------------|---|--|---|
|                                      | Actual<br>(As restated,<br>see Note 12) | Pro Forma for the<br>Common Stock and<br>Second Mortgage<br>Note Offerings | Pro Forma, as<br>Adjusted to<br>Reflect All<br>Borrowings<br>Expected to be<br>Necessary to<br>Construct Le<br>Rêve |
| <b>Long-Term Debt:</b>               |   |  |   |
| Revolving credit facility            |   |  | \$ 713.2  |
| Delay draw term loan facility        |   |  | 250.0   |
| FF&E facility(1)                     |   |  | 188.5   |
| Second mortgage notes                |   | \$ 340.0   | 340.0   |
| Other long-term debt(1)(2)           | \$ 28.8                                 | 28.8   | 0.3   |
| <b>Total Long-Term Debt</b>          | <b>28.8</b>                             | <b>368.8</b>   | <b>1,492.0</b>  |
| <b>Equity</b>                        | <b>544.9(3)</b>                         | <b>959.6(4)(5)</b>   | <b>959.6(4)(5)</b>  |
| <b>Total Capitalization</b>          | <b>\$ 573.7</b>                         | <b>\$ 1,328.4</b>  | <b>\$ 2,451.6</b>   |

(1) Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly owned subsidiary of Wynn Las Vegas.

(2) Includes a \$28.5 million loan outstanding to Bank of America, N.A. with respect to our corporate aircraft. The Bank of America loan is secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft and calls for 47 monthly principal payments of \$158,333 commencing March 1, 2003 and the payment of the approximately \$21.1 million remaining principal on March 1, 2007. Also includes the amount owing pursuant to an annuity issued by ITT Sheraton in connection with the acquisition of a parcel of land in 1994. The annuity

bears interest at an annual rate of 8% and requires payment of \$5,000 per month until February 2009. Valvino assumed the obligations under the annuity in connection with its acquisition of the Desert Inn Resort & Casino.

(3) Represents Valvino's members' equity as follows: (a) contributed capital of \$586.1 million and (b) deficit accumulated during the development stage of (\$41.1) million.

(4)

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Represents Valvino's members' equity as follows: (a) contributed capital of \$586.1 million, (b) deficit accumulated during the development stage of (\$41.1) million and (c) expected net proceeds from this offering of \$414.7 million.

(5)

Represents Wynn Resorts' stockholders' equity on a pro forma and pro forma, as adjusted basis, as follows: (a) preferred stock, \$0.01 par value per share, 40,000,000 shares authorized, no shares issued and outstanding, (b) common stock, \$0.01 par value per share, 400,000,000 shares authorized, 63,285,000 shares issued and outstanding, (c) additional paid in capital of \$414.5 million and (d) deficit accumulated during the development stage of \$(41.1) million.

45

### DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of common stock upon completion of this offering.

The net tangible book value of our common stock on June 30, 2002 was \$537.5 million, or approximately \$13.44 per share. Net tangible book value per share represents the amount of our total tangible assets less total liabilities (not including any indebtedness being incurred concurrently with this offering), divided by the number of shares of common stock outstanding. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share of our common stock immediately afterwards. After giving effect to the sale of shares in this offering at an assumed initial public offering price of \$19.00 per share, which is the mid-point of the initial public offering price range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and offering expenses payable by us, our net tangible book value at June 30, 2002 would have been approximately \$952.2 million, or \$14.95 per share. This represents an immediate increase in net tangible book value of \$1.51 per share to existing stockholders and an immediate dilution in net tangible book value of \$4.05 per share to new investors purchasing shares of common stock in this offering. The following table illustrates this dilution on a per share basis:

|  |    |       |
|--|----|-------|
| Assumed initial public offering price per share                          | \$ | 19.00 |
| Net tangible book value per share at June 30, 2002                       | \$ | 13.44 |
| Increase per share attributable to this offering                         | \$ | 1.51  |
| Pro forma net tangible book value per share after this offering          | \$ | 14.95 |
| Dilution in pro forma net tangible book value per share to new investors | \$ | 4.05  |

The following table summarizes, on a pro forma basis to reflect the issuance of shares in this offering as of June 30, 2002, the total number of shares of Wynn Resorts' common stock, the total consideration paid and the average price per share paid by existing stockholders and by the new investors in this offering, calculated before deducting the estimated underwriting discounts and commissions and offering expenses:

| (in millions)         |                  |            |                     |            |                         |
|-----------------------|------------------|------------|---------------------|------------|-------------------------|
|                       | Shares Purchased |            | Total Consideration |            | Average Price Per Share |
|                       | Number           | Percent    | Amount              | Percent    |                         |
| Existing stockholders | 40               | 63         | \$ 642(1)           | 59         | \$ 16.05                |
| New investors         | 23.7             | 37         | 450                 | 41         | 19.00                   |
| <b>Total</b>          | <b>63.7</b>      | <b>100</b> | <b>\$ 1,092</b>     | <b>100</b> |                         |

(1)

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Includes the contribution by Mr. Wynn in April 2002 of his interest in Wynn Macau, which was valued at approximately \$56 million by the parties in the negotiation of the contribution of Mr. Wynn's interest. See "Management's Discussion & Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Material Transactions Affecting Liquidity and Capital Resources."

The preceding discussion and tables assume no exercise by the underwriters of their over-allotment option. We intend to reserve 9,750,000 shares for issuance under our stock incentive plan and, following the completion of this offering, we plan to grant 189,723 shares of restricted stock outside of the stock incentive plan to Franco Dragone, the executive producer and principal creator of the new entertainment production for *Le Rêve*. To the extent the over-allotment option is exercised, or any shares are issued under the stock incentive plan or to Mr. Dragone, there may be further dilution to new investors.

46

---

### PRINCIPAL STOCKHOLDERS

**Stephen A. Wynn.** Mr. Wynn has more than thirty years of experience in the gaming, hotel and tourism industries as a designer, developer and operator of hotel casino resorts. From 1973 until 2000, Mr. Wynn served as the Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor. During his tenure, he led the design and development of the following hotel casino resort properties: Bellagio, The Mirage, Treasure Island at The Mirage, Atlantic City Golden Nugget and Beau Rivage in Biloxi, Mississippi. Mr. Wynn also worked to redesign and expand several other hotel casino resort properties, such as the Golden Nugget Las Vegas and the Golden Nugget Laughlin. The public filings and press releases of Mirage Resorts and MGM Mirage report that in fiscal year 1999, the last full year of Mr. Wynn's tenure with Mirage Resorts, the company had grown to own and operate eight hotel casino resort properties totaling 630,000 square feet of casino gaming space and 16,577 hotel rooms that generated approximately \$2.4 billion in revenue, \$573 million in earnings before depreciation, interest, taxes and pre-opening costs and \$110.4 million in net income.

The hotel casino resorts created by Mirage Resorts during Mr. Wynn's tenure are each marked by unique features. In 1989, Mr. Wynn oversaw the creation of the first mega-resort in Las Vegas with the introduction of The Mirage. The Mirage is based on a South Seas theme and features a 54 foot "active" volcano, a dolphin habitat and an illusionist show performed by Siegfried and Roy. The Caribbean-inspired Treasure Island at The Mirage, built in 1993, features a pirate village with full-scale replicas of a pirate ship and British frigate, which engage in a special effects battle. Bellagio, a European-style luxury resort completed in 1998, is marked by its eight-acre lake of dancing fountains inspired by Lake Como of Northern Italy, as well as the show "O" produced and performed by the Cirque du Soleil organization.

Under Mr. Wynn, Mirage Resorts was ranked as the second most admired company in the United States in the March 3, 1997 issue of *Fortune* magazine. In that issue, *Fortune* magazine also ranked Mirage Resorts as the fourth best company in the United States in quality of management. During Mr. Wynn's tenure, Mirage Resorts was successful in attracting and retaining top quality employees; Mirage Resorts grew to approximately 30,000 employees by 2000. In 2000, Mirage Resorts was sold to MGM Grand, Inc. for approximately \$6.4 billion.

**Aruze USA.** Aruze USA, a Nevada corporation, is a wholly owned subsidiary of Aruze Corp., a Japanese manufacturer of pachislot and pachinko machines and video game software. As of October 18, 2002, Aruze Corp. had a market capitalization of approximately ¥144 billion, or approximately \$1.1 billion. Kazuo Okada, who founded Aruze Corp. in 1969, now holds a controlling interest in Aruze Corp. and serves as its president. Aruze Corp. is a Japanese corporation traded on the JASDAQ system (NASDAQ Japan). After beginning his career in the juke box and pachinko machine businesses, Mr. Okada continued his business pursuits in the gaming machine manufacturing industry and is credited with creating the pachislot machine. Unlike a typical slot machine, where the reels stop on their own after the player pulls the machine's "arm" to start the rotation of the reels, a pachislot machine player stops each individual reel by pushing a button in front of that reel. The pachislot machine has grown to be very popular in Japan. To date, Aruze Corp. has sold more than 1 million pachislot machine units. Aruze Corp. is now the largest manufacturer of pachislot machines in Japan and holds a significant share of Japan's pachislot machine market in terms of annual sales.

**Baron Asset Fund.** Baron Asset Fund, a Massachusetts business trust, is comprised of four fund series, each of which is a publicly traded registered mutual fund managed by BAMCO, Inc., a New York corporation. Together, these fund series hold total assets equal to almost \$4.1 billion. Baron Asset Fund holds shares of Wynn Resorts on behalf of two of the fund series: the Baron Asset Fund Series and the Baron Growth Fund Series. Ron Baron is the Chairman and Chief Executive Officer of Baron Asset Fund and BAMCO.

47

---

**SELECTED CONSOLIDATED FINANCIAL DATA**

The following selected consolidated financial data regarding Valvino and its subsidiaries should be read together with Valvino's consolidated financial statements and notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other information contained in this prospectus. (1) The selected data presented below as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and the period from inception (April 21, 2000) to December 31, 2000, is derived from the consolidated financial statements of Valvino and its subsidiaries (a development stage company), which have been audited by Deloitte & Touche LLP, independent auditors. The consolidated financial statements as of December 31, 2001 and 2000 and the year ended December 31, 2001 and the period from inception to December 31, 2000, and the independent auditors' report thereon, are included elsewhere in this prospectus. The selected data presented below as of June 30, 2002 and for the six months ended June 30, 2002 and 2001, respectively, and the period from inception to June 30, 2002, is derived from the unaudited consolidated financial statements of Valvino and its subsidiaries, which are included elsewhere in this prospectus.

|   | Inception to<br>December 31,<br>2000<br>(As restated) | Year Ended<br>December 31,<br>2001<br>(As restated) | Six Months<br>Ended<br>June 30,<br>2001<br>(As restated) | Six Months<br>Ended<br>June 30,<br>2002<br>(As restated) | Inception to<br>June 30,<br>2002<br>(As restated) |
|---|---|---|--|--|---|
| (In thousands, except per share amounts)          |   |   |  |  |   |
| Consolidated Statement of Operations Data:        |   |   |  |  |   |
| Revenues  | \$ 87   | \$ 1,157  | \$ 686   | \$ 945   | \$ 2,189  |
| Operating Loss                                    | (12,033)  | (20,060)  | (9,770)  | (13,403)   | (45,496)  |
| Net Loss Accumulated During the Development Stage | (10,616)  | (17,726)  | (8,234)  | (12,776)   | (41,118)  |
| Net Loss Per Share                                | \$ (53.08)  | \$ (86.27)  | \$ (40.52)   | \$ (61.19)   | \$ (201.08)                                       |
|   | December 31, 2000<br>(As restated)                    | December 31, 2001<br>(As restated)                  | June 30, 2002<br>(As restated)                           |  |   |
| (In thousands)                                    |   |   |  |  |   |

(1) As of June 30, 2002, Wynn Resorts had no assets, liabilities or operations. Prior to the contribution of the Valvino membership interests to Wynn Resorts, Wynn Resorts did not have any financial transactions reflected in its financial statements other than the initial issuance of one share of common stock and, therefore, financial statements of Wynn Resorts are not included herein.

(2) Includes the current portion of long-term debt.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with, and is qualified in its entirety by, the historical financial statements and related notes included elsewhere in this prospectus.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

As discussed in Note 12 to the consolidated financial statements, the accompanying financial statements as of June 30, 2002 and December 31, 2001 and 2000 and for the six months ended June 30, 2002 and 2001, the year ended December 31, 2001 and the periods from inception to December 31, 2000 and June 30, 2002, have been restated. The following discussion gives effect to the restated amounts.

### Introduction

We have included the financial statements of Valvino in this prospectus. In September 2002, Wynn Resorts, an entity formed in June 2002, became the parent entity of Valvino when all of the members of Valvino contributed 100% of the membership interests (210,834 shares) to Wynn Resorts in exchange for 40,000,000 shares of Wynn Resorts common stock. Valvino has had no significant operations to date. In June 2000, Valvino acquired the Desert Inn Resort & Casino assets from Starwood Hotels & Resorts Worldwide, Inc. Valvino ceased operating the Desert Inn Resort & Casino after approximately ten weeks. Valvino has demolished some of the buildings constituting the former Desert Inn Resort & Casino hotel in anticipation of the construction of Le Rêve. The remaining structures have been and will continue to be utilized as offices at least through the completion of Le Rêve. Since Valvino ceased operating the Desert Inn Resort & Casino, our efforts have been devoted principally to the development activities described below with respect to Le Rêve and Wynn Macau's opportunity in Macau. In addition, the financial position and operating results of World Travel and Las Vegas Jet, which include principally the operation and charter services of a corporate aircraft, are included in Valvino's financial statements. Moreover, we continue to operate an art gallery displaying works from The Wynn Collection, which consists of artwork from the personal art collection of Stephen and Elaine Wynn. Until summer 2002, we also operated the golf course located on the site of the former Desert Inn Resort & Casino. Valvino's historical operating results will not be indicative of future operating results.

At June 30, 2002, Valvino's principal assets included the equity interests in its various subsidiaries and, together with certain of such subsidiaries, the site of the former Desert Inn Resort & Casino. At June 30, 2002, Valvino also indirectly owned a majority interest in Wynn Macau, a foreign subsidiary that has entered into a concession agreement with the government of Macau permitting it to conduct gaming operations in Macau.

### Development Activities

Valvino was organized in April 2000. Wynn Resorts was formed in June 2002, and in September 2002, Mr. Wynn, Aruze USA, Baron Asset Fund and the Kenneth R. Wynn Family Trust contributed their Valvino membership interests to Wynn Resorts in exchange for all of the issued and outstanding shares of Wynn Resorts. Since Valvino's formation, our activities have included arranging the design, construction and financing of Le Rêve and applying for certain permits, licenses and approvals necessary for the development and operation of Le Rêve. Wynn Resorts plans to develop, construct and operate Le Rêve as part of a world-class destination casino resort which, together with the new golf course located behind the hotel, will occupy approximately 192 acres of a 212-acre parcel of land on the Las Vegas Strip in Las Vegas, Nevada. We expect Le Rêve to commence operations in April 2005.

Wynn Macau also has spent considerable time preparing and presenting to the Macau government a proposal to obtain a provisional concession to engage in gaming activities in Macau and negotiating the concession agreement and land concession. On June 24, 2002, Wynn Macau entered into a 20-year concession agreement with the government of Macau permitting Wynn Macau to construct and operate one or more casinos in Macau. The concession agreement obligates Wynn Macau to invest no less than a total of 4 billion patacas (approximately US \$500 million at the October 22, 2002 exchange rate of approximately eight Macau patacas to one U.S. dollar) in Macau-related projects by June 26, 2009 and to commence operations of its first permanent casino resort in Macau no later than December 2006. Wynn Macau, the entity which will own and operate Wynn Resorts' Macau operations, is majority-owned by Wynn Resorts through a series of wholly owned and partially owned domestic and foreign subsidiaries, none of which is a guarantor of the second mortgage notes or the other debt facilities related to Le Rêve.

### Financial Statements Included in the Registration Statement

Wynn Resorts was recently formed with Stephen A. Wynn owning one share of common stock of the corporation. As of June 30, 2002, Wynn Resorts had no assets, liabilities or operations. Prior to the contribution of the Valvino membership interests to Wynn Resorts, upon which Valvino became a wholly owned subsidiary, Wynn Resorts did not have any financial transactions reflected in its financial statements other than the initial issuance of one share of common stock and therefore financial statements of Wynn Resorts are not included herein. Upon the contribution, approximately 189.7 shares of Wynn Resorts' common stock, were issued in exchange for each common share of Valvino membership interests. Wynn Resorts' consolidated financial statements will reflect the financial position and results of operations of Valvino and its subsidiaries.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

The exchange of Wynn Resorts shares for contributed Valvino membership interests was a tax-free contribution under the Internal Revenue Code and was accounted for as a nonsubstantive recapitalization. Accordingly, Wynn Resorts will recognize the assets and liabilities transferred at their carrying value in the books and records of Valvino at the time of contribution. The financial statements of Wynn Resorts will report the results of operations for the period in which the transfer occurred as if the contribution of equity interests had occurred at the beginning of the period. Financial information for prior periods will be restated to furnish comparative information. Management does not expect the consolidated financial statements of Wynn Resorts to differ from the consolidated financial statements of Valvino and its subsidiaries included herein.

The separate financial statements of Wynn Macau, acquired by Valvino in April 2002, are not included in this registration statement as none of the significant subsidiary tests as provided for in the applicable regulations of the Securities and Exchange Commission ("SEC") are met.

The separate financial statements of World Travel and Las Vegas Jet, acquired by Valvino in May 2002, are not included in this registration statement as none of the significant subsidiary tests as provided for in the applicable SEC regulations are met.

The historical financial statements of Desert Inn Resort & Casino are not included herein because management acquired the assets of the former Desert Inn Resort & Casino with the intent to construct a new business rather than acquiring an ongoing business with a continuing revenue stream.

50

---

### Critical Accounting Policies and Estimates

The consolidated financial statements of Valvino and its subsidiaries were prepared in conformity with accounting principles generally accepted in the United States. Certain of our accounting policies, including the estimated lives of our depreciable assets, the evaluation of assets for impairment and the purchase price allocations made in connection with acquisitions, require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. Judgments are based on historical experience, terms of existing contracts, industry trends and information available from outside sources, as appropriate. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. As of and for the period from inception to June 30, 2002, management does not believe there are any highly uncertain matters or other underlying assumptions that would have a material effect on the statement of position or results of operations of Valvino if actual results differ from our estimates.

Critical accounting policies currently reflected in Valvino's consolidated financial statements primarily relate to expensing pre-opening costs as incurred, capitalizing construction costs and other policies related to our development stage status. The application of accounting policies providing for the expensing of pre-opening costs resulted in the recognition of approximately \$9 million and \$12 million of costs including wages and salaries, and general and administrative expenses incurred for the six months ended June 30, 2002, and the year ended December 31, 2001, respectively. These costs are included in the accumulated losses from development stage activities.

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

Additionally, upon commencement of operations at Le Rêve, we will apply other critical accounting policies not presently applied in the preparation of our financial statements. Such policies are anticipated to include the following:

Revenue will be recognized upon performance of the related services. For example, revenue will be recognized upon delivery of food, beverages and entertainment, upon occupancy of the resort and as net wins and losses occur in the casino.

Bad debt expense and a related allowance for doubtful accounts will be provided for customer accounts receivable that are estimated to be uncollectible. Such estimates will be based on information available to us at that time, including information about the customers' financial condition and credit history, industry trends, economic conditions and the historical results of collections.

Accruals for estimated liabilities related to slot club point redemption, self-insurance, commissions and asserted claims or legal actions resulting from the normal course of business will be recorded in the period in which the liability arises. The adequacy of these accruals will be evaluated periodically and revised as necessary based on events and circumstances present at the time, known facts, historical experience and other relevant considerations.

## Results of Operations

### *Results of operations for the year ended December 31, 2001 compared to the period from inception to December 31, 2000*

Valvino recognized a loss of approximately \$17.7 million related to pre-opening costs and depreciation of facilities acquired in the acquisition of the Desert Inn Resort & Casino, for the year ended December 31, 2001, an approximate increase of 67% from the loss incurred during the period from inception (April 21, 2000) to December 2000 of approximately \$10.6 million.

Total revenues for the year ended December 31, 2001 increased approximately \$1 million from the period from inception to December 31, 2000 primarily as a result of increased charter revenues to third parties recognized by Las Vegas Jet, LLC, which was previously wholly owned by Mr. Wynn, for approximately \$715,000 for the year ended December 31, 2001. In addition, revenues of approximately \$80,000 were recognized for the year ended December 31, 2001, primarily as a result of the art gallery and retail shop opening in November 2001.

Total expenses for the year ended December 31, 2001 increased approximately \$9.1 million as compared to the period from inception to December 31, 2000 primarily as a result of increased pre-opening costs associated with Le Rêve and depreciation and amortization expenses which were partially offset by lower facility closure expense and losses from incidental operations. This resulted in an increase in net operating losses of approximately \$8 million for the year ended December 31, 2001 as compared to the period from inception to December 31, 2000.

Pre-opening costs, which consist primarily of salaries and wages and consulting and legal fees, for the year ended December 31, 2001 increased approximately \$6.2 million, as compared to the period from inception to December 31, 2000 primarily as a result of increased pre-opening activities and approximately four additional months of costs being recognized during the year ended December 31, 2001 than in the period from inception to December 31, 2000. Similarly, depreciation and amortization recognized for the year ended December 31, 2001 reflects 12 months of expenses as compared to approximately eight months of expenses recognized in the period from inception to December 31, 2000. This resulted in increased depreciation and amortization expenses for the year ended December 31, 2001 of approximately \$4.1 million.

Facility closure expenses were approximately \$830,000 less for the year ended December 31, 2001, as compared to the period from inception to December 31, 2000, primarily because a majority of the costs incurred for the period from inception to December 31, 2000 related to the closing of the Desert Inn Resort & Casino, which was completed in August 2000. During the period from inception to December 31, 2000, Valvino recognized a net loss from incidental operations of approximately \$1.2 million as compared to no recognized net loss for the year ended December 31, 2001. The net loss in 2000 was attributable to the incidental casino and hotel operations incurred prior to its closing in August 2000.

Other income net increased approximately \$920,000 from the year ended December 31, 2001 as compared to the period from inception to December 31, 2000 primarily as a result of an approximate \$930,000 increase in interest income in 2001. Interest income for the year ended December 31, 2001 reflects interest earned for the 12-month period whereas interest income for the period from inception to December 31, 2000 reflects interest earned for approximately eight months.

### *Results of operations for the six months ended June 30, 2002 compared to the six months ended June 30, 2001*

Pre-opening costs for Le Rêve and depreciation of the remaining facilities acquired in the acquisition of the Desert Inn Resort & Casino resulted in a net loss during the development stage for the six months ended June 30, 2002. The net loss for the six months ended June 30, 2002 was approximately \$12.8 million as compared to an approximate \$8.2 million net loss accumulated during the development stage for the six months ended June 2001.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Total revenues for the six months ended June 30, 2002 increased approximately \$260,000 from the six months ended June 30, 2001 as a result of increased airplane lease revenue recognized in the 2002 period than the 2001 period and an increase in revenues from the art gallery and the retail shop, which were opened in November 2001.

Total expenses for the six months ended June 30, 2002 increased approximately \$3.9 million as compared to the same period in 2001 primarily due to an approximate \$3.6 million increase in pre-opening costs. The increase in pre-opening costs, which consist primarily of salaries and wages and consulting and legal fees, is directly attributable to an increase in pre-opening activities as compared to the same period in the prior year. Management expects pre-opening costs to continue to increase as development of Le R ve progresses.

Other income net for the six months ended June 30, 2002 decreased approximately \$1.2 million from the six months ended June 30, 2001, primarily as a result of an approximate \$750,000 decrease in interest income from 2002 to 2001. This reduction in interest income is mainly attributable to lower interest rates during the six months ended June 30, 2002 as compared to the six months ended June 30, 2001.

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

In the near term, our development activities may be impacted by various economic factors, including, among other things, the availability and cost of materials, the availability of labor resources and interest rate levels. The strength and profitability of our business after Le R ve opens will depend on consumer demand for hotel casino resorts in general and for the type of luxury amenities that Le R ve will offer. Adverse changes in consumer preferences or discretionary income could harm our business. In particular, the terrorist attacks of September 11, 2001, and ongoing terrorist and war activities in the United States and elsewhere, have had a negative impact on travel and leisure expenditures, including lodging, gaming and tourism. In addition to fears of war and future acts of terrorism, other factors affecting discretionary consumer spending, including general economic conditions, disposable consumer income, fears of recession and consumer confidence in the economy, could reduce customer demand for the products and services we will offer, thus imposing practical limits on pricing and harming our operations.

While we believe that a nominal decline in the strength of the U.S. economy and the amount of an individual's disposable income would not have a material effect on our results of operations, a material decline in the strength of the U.S. economy and the amount of an individual's disposable income could have a significant impact on our results of operations.

## **Liquidity and Capital Resources**

### *Material Transactions Affecting Liquidity and Capital Resources*

Since Valvino's inception on April 21, 2000, there have been a number of transactions that have had a significant impact on Valvino's liquidity. Our operations have required substantial

53

---

capital investment for the acquisition of the land on which Le R ve will be located and development of the project.

Stephen A. Wynn organized Valvino and, initially, Mr. Wynn was the sole member of Valvino. Between April of 2000 and September of 2000, Mr. Wynn made equity contributions to Valvino in an aggregate amount of approximately \$220.7 million. On June 15, 2000, Mr. Wynn loaned Valvino \$100 million at an interest rate of 7.875% per year.

On June 22, 2000, Valvino acquired the former Desert Inn Resort & Casino in Las Vegas, Nevada from Starwood Hotels & Resorts Worldwide, Inc., including the Desert Inn Resort & Casino golf course and some, but not all, of the residential lots located in the interior of and around the former Desert Inn golf course, for approximately \$270 million in cash. In connection with that transaction, Valvino and its subsidiaries also acquired approximately 985 acre-feet of certificated water rights. In addition to acquiring the assets of the Desert Inn Resort & Casino, Valvino assumed most of its liabilities, and, to the extent assignable, all of its contracts. Valvino later acquired all of the remaining lots located in the interior of, and some of the remaining lots around, the former Desert Inn golf course for a total of \$47.8 million, bringing the size of the parcel to approximately 212 acres. On August 28, 2000, Valvino closed the hotel and casino at the Desert Inn Resort & Casino site and has since been engaged primarily in the development of a new resort hotel and casino on the site.

In July 2000, Valvino used proceeds from a \$125 million loan agreement it entered into with Deutsche Bank Securities Inc., as lead arranger, and Bankers Trust Company, as administrative agent, to make an approximately \$110.5 million equity distribution to Mr. Wynn. At the time of this distribution, Mr. Wynn was the only member of Valvino.

On October 3, 2000, Aruze USA made a contribution of \$260 million in cash (\$250 million net of finders' fee) to Valvino in exchange for 50% of the membership interests in Valvino and was admitted as a member of Valvino. Mr. Wynn was designated as the managing member of

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Valvino. On October 3, 2000, \$70 million of Mr. Wynn's loan was repaid out of the proceeds of this capital contribution and on October 10, 2000, the Deutsche Bank loan was repaid in full. The remaining approximately \$32.3 million balance of Mr. Wynn's loan, including accrued interest, was converted to equity as a member contribution.

On April 16, 2001, Baron Asset Fund, a Massachusetts business trust, made a contribution of \$20.8 million in cash (\$20 million net of fees) to Valvino in exchange for approximately 3.7% of the membership interests in Valvino and was admitted as a member of Valvino. Immediately following the admission of Baron Asset Fund, Mr. Wynn and Aruze USA each owned approximately 48.2% of the membership interests in Valvino.

In April 2002, Mr. Wynn, Aruze USA and Baron Asset Fund each made the following further capital contributions to Valvino:

Mr. Wynn contributed approximately \$32 million in cash plus his 90% interest in Wynn Macau, which in June 2002 entered into a concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau. The \$32 million contribution was comprised of approximately \$22.5 million of cash deposited in a Macau bank account which Mr. Wynn assigned to Valvino and an additional \$8.6 million in cash. Mr. Wynn's 90% interest in Wynn Macau, whose principal asset was a provisional license to negotiate a concession agreement with the Macau government, had no historical cost basis. This interest was valued at approximately \$56 million by the parties in the negotiation of Mr. Wynn's contribution of his interest, after reimbursement to Mr. Wynn of approximately \$825,000 advanced by him to Wynn Macau in connection with the negotiation of the concession agreement and other development activities in Macau. For financial statement purposes, as a combination of

54

entities under common control, the contribution of Mr. Wynn's 90% interest in Wynn Macau was recorded at carryover basis (with the primary asset recorded in the financial statements being the approximate \$22.5 million of cash) rather than fair value. However, Mr. Wynn's resulting 47.5% ownership interest in Valvino, after these contributions, reflects the fair value of his investment in Wynn Macau relative to the fair value of the contributions from Aruze USA and Baron Asset Fund;

Aruze USA contributed an additional \$120 million in cash; and

Baron Asset Fund contributed an additional approximately \$20.3 million in cash.

Immediately following these additional capital contributions, Mr. Wynn and Aruze USA each owned 47.5% of the membership interests and Baron Asset Fund owned 5% of the membership interests in Valvino. The percentage of membership interests held by Baron Asset Fund are held by it on behalf of two series of Baron Asset Fund: (1) the Baron Asset Fund Series, on whose behalf approximately 3.6% of the membership interests in Valvino are held, and (2) the Baron Growth Fund Series, on whose behalf approximately 1.3% of the membership interests in Valvino are held. Neither Mr. Wynn nor Aruze USA increased their relative ownership interests as a result of the April 2002 capital contributions.

On June 24, 2002, the Kenneth R. Wynn Family Trust contributed \$1.2 million in cash to Valvino in exchange for 0.146% of the outstanding membership interests in Valvino.

The following table sets forth the total contributions (net of equity distributions) to Valvino of Wynn Resorts' principal stockholders as of June 24, 2002, the date of the most recent capital contribution to Valvino:

| <b>Equity Contributions<br/>(in thousands)</b> |                              |   |  |                               |
|--|------------------------------|---|--|-------------------------------|
| <b>Name</b>                                    | <b>Net Cash<br/>Invested</b> | <b>Net Value of Non-<br/>Cash Contributions</b> | <b>Allocation of Net<br/>Asset Appreciation(1)</b> | <b>Capital<br/>Account(2)</b> |
| Stephen A. Wynn                                | \$ 174,572                   | \$ 55,659(3)                                    | \$ 160,169   | \$ 390,400                    |
| Aruze USA, Inc.                                | 380,000                      | 0   | 10,400   | 390,400                       |
| Baron Asset Fund                               | 41,095                       | 0   | 0  | 41,095                        |
| Kenneth R. Wynn Family Trust                   | 1,200                        | 0   | 0  | 1,200                         |

- (1) As determined by arm's-length agreement, these amounts reflect the allocation of appreciation of the assets held by Valvino.
- (2) These amounts reflect the book capital accounts as determined under federal partnership tax principles.
- (3) As described above, Mr. Wynn's interest in Wynn Macau was valued at this amount by the parties in the negotiation of Mr. Wynn's contribution of such interest to Valvino in April 2002, prior to Wynn Macau's entry into a concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau.

At June 30, 2002, Valvino had approximately \$187.9 million of cash and cash equivalents, with all of its cash equivalents comprised of investments in overnight money market funds.

*Overview of Expected Capital Resources and Commercial Commitments*

As of June 30, 2002, approximately \$399.3 million of the total Le Rêve project cost of approximately \$2.4 billion (including the cost of the land, capitalized interest, pre-opening expenses and all financing fees) had been expended or incurred to fund the development of Le Rêve. The remaining development costs for Le Rêve are expected to be funded from a combination of:

borrowings under the revolving credit facility;

55

borrowings under the delay draw term loan facility;

borrowings under the FF&E facility;

anticipated interest income;

proceeds from the expected offering of second mortgage notes;

proceeds from Wynn Resorts' initial public offering; and

our cash on hand.

See "Use of Proceeds."

The following table summarizes certain information regarding our subsidiaries' expected long-term indebtedness and commercial commitments at the completion of Le Rêve. All time periods in these tables are measured from the closing of this offering and are based upon our best estimate at this time of our expected long-term indebtedness and commercial commitments.

| Long-Term Indebtedness | Payments Due By Period |                     |           |           |                  |
|------------------------|------------------------|---------------------|-----------|-----------|------------------|
|                        | Total                  | Less than<br>1 Year | 1-3 Years | 4-5 Years | After<br>5 Years |
|                        |                        |                     |           |           |                  |
|                        |                        |                     |           |           |                  |

(in millions)

Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Payments Due By Period

| Revolving credit facility(1)     | \$ | 713.2   | (1) | (1)    | (1\$ 713.2(1) |
|----------------------------------|----|---------|-----|--------|---------------|
| Delay draw term loan facility(2) |    | 250.0   |     |        | 250.0         |
| FF&E facility(3)                 |    | 188.5   |     |        | 188.5         |
| Second mortgage notes            |    | 340.0   |     |        | 340.0         |
| Other long-term obligations(4)   |    | 0.3     | \$  | \$ 0.1 | \$ 0.1        |
|                                  |    |         |     |        |               |
| Total long-term indebtedness     | \$ | 1,492.0 | \$  | \$ 0.1 | \$ 1,491.8    |

Amount of Commitment Expiration Per Period

| Other Commercial Commitments  | Total<br>Amounts<br>Committed | Less than<br>1 Year | 1-3 Years | 4-5<br>Years | Over<br>5 Years |
|-------------------------------|-------------------------------|---------------------|-----------|--------------|-----------------|
|                               |                               |                     |           |              |                 |
| (in millions)                 |                               |                     |           |              |                 |
| Construction contracts(5)     | \$ 929.2                      | \$ 257.5            | \$ 671.7  |              |                 |
| Standby letter of credit(6)   | 2.3                           | 2.3                 |           |              |                 |
| Macau concession agreement(7) | 500.0                         | (7)                 | (7)       | (7)          | \$ 500.0(7)     |
|                               |                               |                     |           |              |                 |
| Total commercial commitments  | \$ 1,431.5                    | \$ 259.8            | \$ 671.7  |              | \$ 500.0        |

- (1) We anticipate that we will draw down approximately \$713.2 million under the revolving credit facility to fund the design, construction, development, equipping and opening of Le Rêve, assuming that Le Rêve is completed on schedule. Once the total extensions of credit under the revolving credit facility equal or exceed \$200 million, lead arrangers holding a majority of the commitments of the lead arrangers under that facility will have the right to convert between \$100 million and \$400 million of the outstanding revolving loans into term loans on the same terms and conditions as the term loans under the delay draw term loan facility or on such other terms as we and the administrative agent and syndication agent can agree. In addition, the revolving credit facility will provide for a cash flow sweep each year that will reduce the commitment under that facility by the amount of the cash flow swept.
- (2) Term loans under this facility will be repayable in quarterly installments from the first full fiscal quarter after completion of Le Rêve until the seventh anniversary of the closing in amounts to be determined.
- (3) Wynn Las Vegas' placement agent for the FF&E facility, Banc of America Leasing & Capital LLC, has received commitments from the lenders who will enter into the \$188.5 million FF&E facility. This facility will close concurrently with the closing of this offering. Wynn Las Vegas intends to use approximately \$28.5 million of borrowings under the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel, LLC, a wholly owned subsidiary of Wynn Las Vegas. The Bank of America loan is secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft and calls for 47 monthly principal payments of \$158,333 commencing March 1, 2003 and the payment of the approximately \$21.1 million remaining principal on March 1,

2007. See "Certain Relationships and Related Transactions Aircraft Arrangements." World Travel intends to issue Wynn Las Vegas an intercompany note in the amount of the funds received by it to repay the Bank of America loan.

- (4) Includes the amount owing pursuant to an annuity issued by ITT Sheraton in connection with the acquisition of a parcel of land in 1994. The annuity bears interest at an annual rate of 8% and requires payment of \$5,000 per month until February 2009. Valvino assumed the obligations under the annuity in connection with its acquisition of the Desert Inn Resort & Casino.
- (5)

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Represents obligations under Wynn Las Vegas' signed construction contracts with Marnell Corrao and Bomel Construction Company, Inc. We expect to sign additional contracts for the construction of Le Rêve. We expect to satisfy some of the payment obligations under these contracts using amounts borrowed under the long-term indebtedness shown above.

(6)

Standby letter of credit for our owner-controlled insurance program.

(7)

The Macau concession agreement requires Wynn Macau to invest approximately US \$500 million (using the exchange rate as of October 22, 2002) on one or more casino projects over a seven year period. Wynn Macau is obligated to operate its first casino in Macau by December 2006. The full contractual commitment is shown as having to be made after five years, but the timing of the expenditures is subject to change.

### *Credit Facilities*

Wynn Las Vegas, Wynn Resorts Holdings and Valvino have entered into a commitment letter with Deutsche Bank Securities Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc. and certain of their affiliates for a revolving credit facility of \$750 million and a delay draw term loan facility of \$250 million as part of the financing of Le Rêve. These lenders or their affiliates are also serving as joint book-running managers of this offering and the second mortgage notes offering. The revolving credit facility will mature on the sixth anniversary of the closing of the credit facilities. Borrowings under the delay draw term loan facility will be available for 27 months after the closing of the credit facilities and will be repayable in quarterly installments from the first full fiscal quarter after completion of Le Rêve until the seventh anniversary of the closing of the credit facilities in amounts to be determined. The credit facilities will close concurrently with the closing of this offering. All amounts outstanding under the credit facilities will bear interest, at Wynn Las Vegas' option (subject to certain limitations), at either (1) a base rate equal to the greater of the prime lending rate as stated in the British Banking Association Telerate page 5 and 0.5% in excess of the federal funds rate or (2) the Eurodollar rate, as determined by the administrative agent, in both cases plus certain margins. For each year after Le Rêve commences operations, Wynn Las Vegas will be required to prepay its borrowings under the credit facilities with a percentage of its excess cash flow (as it will be defined in the credit facilities), initially 75%, reducing to 50% and then to 0% as Wynn Las Vegas meets certain leverage ratios. The availability of financing under the credit facilities is subject to certain conditions, including the negotiation and execution of definitive agreements, the progress of the construction and other customary funding conditions for facilities of this kind.

Subject to applicable laws, including gaming laws and certain agreed upon exceptions, the credit facilities will be secured by liens on substantially all of the assets of our subsidiaries that are necessary for the development, construction or operation of Le Rêve, including the real property underlying Le Rêve and the golf course and the 20-acre parcel fronting Las Vegas Boulevard adjacent to the site of Le Rêve. For a description of the terms of the credit facilities, see "Description of Certain Indebtedness Credit Facilities."

### *FF&E Facility*

Wynn Las Vegas' placement agent for the FF&E facility, Banc of America Leasing & Capital LLC, has received commitments from the lenders who will enter into the \$188.5 million FF&E facility. The FF&E facility will provide financing or refinancing for furniture, fixtures and

57

---

equipment to be used at Le Rêve. Wynn Las Vegas intends to use approximately \$28.5 million of the FF&E facility to refinance a loan made by Bank of America, N.A. to World Travel by means of a loan to be evidenced by an intercompany note from World Travel, secured by an aircraft mortgage on World Travel's Bombardier Global Express aircraft, legal title to which is owned by a trust in which World Travel holds 100% of the beneficial interests. Valvino acquired World Travel from Mr. Wynn and has guaranteed the Bank of America loan. Valvino intends to contribute the equity interests it holds in World Travel to Wynn Las Vegas prior to the consummation of this offering. Wynn Las Vegas may use additional proceeds of the FF&E facility to finance up to 75% of the purchase price of other furniture, fixtures or equipment or refinance other furniture, fixtures or equipment purchased with proceeds of this offering or other funds. With respect to borrowings under the FF&E facility, Wynn Las Vegas will have the same interest rates and elections at corresponding levels as under the credit facilities. Wynn Las Vegas may also use proceeds of the FF&E facility to refinance a replacement corporate aircraft, in which case Wynn Las Vegas would request the FF&E lenders to increase the total commitment under the FF&E facility by \$10.0 million to \$198.5 million. Entering into the FF&E facility is a condition to the consummation of this offering. For more information, see "Use of Proceeds," "Certain Relationships and Related Transactions Aircraft Arrangements" and "Description of Certain Indebtedness."

### *Second Mortgage Notes*

Concurrent with this offering, Wynn Las Vegas and Wynn Capital, our indirect subsidiaries, are jointly offering \$340 million in aggregate principal amount of second mortgage notes as part of the financing for Le Rêve. The second mortgage notes will be secured by first priority liens on the account holding the proceeds of the second mortgage notes, by second priority liens on the assets that secure the credit facilities and by

third priority liens on the assets that secure the FF&E facility, other than the aircraft-related collateral. For additional information about the terms of the second mortgage notes, see "Description of Certain Indebtedness Second Mortgage Notes."

Wynn Resorts and its domestic and foreign subsidiaries related to the Macau opportunity will not be guarantors and will not be subject to the covenants in the second mortgage notes or the credit facilities. However, Wynn Resorts itself may become a guarantor, but will not be bound by the covenants, under the second mortgage notes and the credit facilities if Wynn Resorts incurs certain indebtedness in excess of \$10 million in the aggregate, or becomes a guarantor on other specified indebtedness, before Wynn Las Vegas has achieved a total debt to earnings before interest, tax, depreciation and amortization ratio of 3.0 to 1.0 or less and a credit facilities rating of BB+ or higher by Standard & Poor's and Ba1 or higher by Moody's Investors Service, subject to certain limited exceptions. Similarly, if Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the second mortgage notes may be secured by comparable liens on the same Wynn Resorts' assets. The security interests in these assets may be released if the leverage ratio and debt ratings tests are subsequently met.

#### *Release of Certain Collateral*

The representatives for the lenders under the credit facilities and the trustee for the second mortgage notes may release the liens on the approximately 137-acre golf course parcel and related water rights. The credit facility and the indenture will provide that the liens will be released after the third anniversary of commencing operations at Le Rêve once Wynn Las Vegas has achieved a total debt to earnings before interest, tax, depreciation and amortization ratio of 3.0 to 1.0 or less and if the credit facilities are rated BB+ or higher by Standard & Poor's and Ba1 or higher by Moody's Investors Service immediately after giving

effect to the release and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features.

Separately, under the credit facilities, certain portions of the golf course parcel will be released from the liens to permit residential or other non-gaming related development if Wynn Las Vegas satisfies certain earnings before interest, taxes, depreciation and amortization targets for a period of four consecutive calendar quarters after Le Rêve opens, so long as the development or construction will not interfere with the use of the golf course and otherwise could not reasonably be expected to impair the overall value of Le Rêve and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features and the golf course. Upon release by the representative for the lenders under the credit facilities of these portions of the golf course, the trustee for the second mortgage note holders will automatically release their second priority liens on that property as well. In addition, the credit facilities and the indenture will provide that two acres of the golf course parcel will be released from the liens to permit the construction of a home for Mr. Wynn, so long as the construction will not interfere with the use of the golf course and otherwise could not reasonably be expected to impair the overall value of Le Rêve and Mr. Wynn pays Wynn Las Vegas fair market value for the property and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features and the golf course.

Finally, the credit facilities will provide that the liens on the 20-acre parcel fronting Las Vegas Boulevard adjacent to the site of Le Rêve will be released by representatives for the lenders under the credit facilities if Wynn Las Vegas meets certain earnings before interest, taxes, depreciation and amortization targets for four consecutive calendar quarters after the commencement of operations at Le Rêve and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features and the golf course. In addition, the representatives of the lenders, by action of a specified percentage of the lenders, may release the liens on the 20-acre parcel if Wynn Las Vegas meets certain earnings before interest, taxes, depreciation and amortization targets for two consecutive calendar quarters after the commencement of operations at Le Rêve and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features and the golf course. Upon release in either such case by the representatives for the lenders, the trustee for the second mortgage note holders will automatically release their second priority liens on the 20-acre parcel. Upon release by the trustee and bank representative, the golf course parcel, or portions of such parcel, and the 20-acre parcel will not be available as security for the second mortgage notes or the indebtedness under the credit facilities. See "Risk Factors Risks Related to Our Substantial Indebtedness Our subsidiaries' indebtedness will be secured by a substantial portion of their assets."

If these assets are released from the liens under Wynn Las Vegas' indebtedness, then those parcels will provide a basis for future development of our business in Las Vegas, including a possible second hotel casino as a Phase II development on the 20-acre parcel.

#### *Restrictions on Disbursements*

Wynn Las Vegas intends to deposit all of the net proceeds from the offering of the second mortgage notes in a secured account pledged to the second mortgage note holders pursuant to an agreement with the trustee for the second mortgage note holders. Pursuant to the terms of the disbursement agreement, Wynn Las Vegas is required to use a substantial portion of the cash equity contribution received from us before

accessing the proceeds from the offering of the second mortgage notes or borrowing under the credit facilities or the FF&E facility. We do not expect that Wynn Las Vegas will request disbursements of the second mortgage note proceeds until approximately ten to twelve months after the closing of this offering or borrow

under the credit facilities or the FF&E facility for approximately 16 to 19 months after the closing.

Wynn Las Vegas' ability to receive disbursements from time to time of the second mortgage note proceeds from the secured account and to borrow under the credit facilities and the FF&E facility will be, in addition to other customary conditions to funding for these types of facilities, subject to various conditions, including the following:

there must be no default under the credit facilities, the FF&E facility or the indenture governing the second mortgage notes;

the construction of Le R ve must be "in balance," meaning that the undisbursed portions of the second mortgage note proceeds, the credit facilities and the FF&E facility, together with certain other funds available to us, must equal or exceed the remaining costs to complete Le R ve's construction plus a required contingency;

Le R ve's construction must be in substantial conformity with the plans and specifications for the project as amended from time to time in accordance with the terms of the disbursement agreement;

Wynn Las Vegas, Marnell Corrao, the lenders' independent construction consultant and certain other third parties must certify as to various matters regarding the progress of construction, as to the conformity of the portions of the project then completed with the plans and specifications and that the Le R ve project will be completed by the scheduled completion date, which may be extended in accordance with the disbursement agreement, but not beyond September 30, 2005, except for certain limited permitted extensions due to force majeure events;

Wynn Resorts and its principal stockholders must maintain in full force and effect the existing arrangements among the stockholders to facilitate obtaining the gaming license for the Le R ve project in the event that one of our major stockholders is unable to qualify for such license;

there must not have occurred any event that has caused or resulted in or could reasonably be expected to cause or result in a material adverse effect to the Le R ve project, Wynn Las Vegas or Wynn Las Vegas and certain of its affiliates; and

Wynn Las Vegas and our general contractor must have entered into subcontracts in respect of specified percentages of the total construction cost of Le R ve to be managed by each of them, which percentages are to be mutually agreed upon by Wynn Las Vegas and the lenders under the credit facilities.

See "Risk Factors Risks Associated with Our Construction of Le R ve There are significant conditions to the funding of the remaining components of the financing for the Le R ve project." We expect that the funds provided by the sources described above and available cash will be sufficient to develop, construct and commence operations of Le R ve and to pay interest on borrowings under the credit facilities, the FF&E facility and the second mortgage notes until the scheduled opening of Le R ve, assuming there are no significant delay costs or construction cost overruns for which we are responsible. See "Risk Factors Risks Associated with Our Construction of Le R ve The development costs of Le R ve are estimates only, and actual development costs may be higher than expected." The disbursement agreement will contain conditions precedent to Wynn Las Vegas entering into scope change orders that will increase or decrease the anticipated costs of the project. These conditions will require Wynn Las Vegas to fund equity into an account subject to a security interest in favor of the lenders under the credit facilities and the holders of the second mortgage notes or to allocate realized cost savings then available under the project budget in

an amount equal to the anticipated incremental cost of the change orders. In addition, if Wynn Las Vegas does not complete construction of Le R ve by the scheduled completion date, which may be extended in accordance with the disbursement agreement, but not beyond September 30, 2005, except for certain limited permitted extensions due to force majeure events, Wynn Las Vegas will be in default under the credit facilities, the indenture governing the second mortgage notes and the FF&E facility, and the holders of the indebtedness will have the right to accelerate the indebtedness and exercise other rights and remedies against Wynn Las Vegas, and against Wynn Resorts if Wynn Resorts becomes a guarantor of the indebtedness under the credit facilities and the second mortgage notes, or if liens on assets of Wynn Resorts secure the credit facilities or the second mortgage notes. See "Risk Factors Risks Related to Our Substantial Indebtedness We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing."

#### *Other Liquidity Matters*

Following the completion of Le R ve, we expect Wynn Las Vegas to fund its operations and capital requirements from operating cash flow and borrowings under the revolving credit facility. Assuming that Le R ve opens in April 2005, we expect that the aggregate principal amount outstanding under the credit facilities, the FF&E facility and the second mortgage notes will be approximately \$1.5 billion. If completion of the project is delayed, then Wynn Las Vegas' debt service obligations accruing prior to the actual opening of Le R ve will increase correspondingly. We cannot assure you, however, that Wynn Las Vegas' business will generate sufficient cash flow from operations or that future borrowings available to Wynn Las Vegas under the credit facilities will be sufficient to enable Wynn Las Vegas to service and repay its indebtedness and to fund its other liquidity needs. We may need to refinance all or a portion of Wynn Las Vegas' indebtedness on or before maturity and, if Wynn Resorts incurs certain indebtedness exceeding \$10 million in the aggregate, or becomes a guarantor on other specified indebtedness, to do this, subject to certain limited exceptions, it may be required to guarantee the second mortgage notes, the credit facilities, and the FF&E facility. Similarly, if Wynn Resorts pledges assets to secure guarantees of other specified indebtedness prior to meeting prescribed leverage ratio and debt rating tests, then the credit facilities and second mortgage notes may be secured by liens on Wynn Resorts' assets. We cannot assure you that we will be able to refinance any of the indebtedness, including the credit facilities, the FF&E facility or the second mortgage notes on acceptable terms or at all. See "Risk Factors Risks Related to Our Substantial Indebtedness Our subsidiaries may not generate sufficient cash flow to meet their substantial debt service and other obligations."

A special purpose subsidiary of Wynn Las Vegas will be providing a \$50 million completion guarantee in favor of the lenders under the credit facilities and the holders of the second mortgage notes to secure completion in full of the construction and opening of Le R ve, including all furniture, fixtures and equipment, the parking structure, the golf course and the availability of initial working capital. \$50 million of the net proceeds of this offering will be contributed to that subsidiary to support its obligations under the completion guarantee. These funds will be deposited into a collateral account to be held in cash or short-term highly rated securities, and pledged to the lenders under the credit facilities and the holders of the second mortgage notes as security for the completion guarantee. Pursuant to the disbursement agreement, these funds will become available to Wynn Las Vegas on a gradual basis to apply to the costs of the project only after fifty percent of the Le R ve construction work has been completed. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the holders of the

second mortgage notes, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. After the completion and opening of Le R ve, any amounts remaining in this account will be released to Wynn Resorts.

In addition, we will contribute \$30 million of the net proceeds of this offering to Wynn Las Vegas to be held in a liquidity reserve account and pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to develop and construct Le R ve. Until the opening of Le R ve, these funds may be applied to the costs of the project, in accordance with the disbursement agreement. Upon the occurrence of an event of default under the credit facilities or the indenture governing the second mortgage notes, the lenders under the credit facilities or, if no amounts are outstanding under the credit facilities, the second mortgage notes holders, will be permitted to exercise remedies against such sums and apply such sums against the obligations under their respective documents. Following the completion and opening of Le R ve, these funds will be available to meet Wynn Las Vegas' debt service needs in connection with the operation of Le R ve. Once Wynn Las Vegas has met prescribed earnings before interest, taxes, depreciation and amortization targets for a period of four consecutive fiscal quarters after the opening of Le R ve, any remaining funds will be used to reduce the outstanding balance of the revolving credit facility, but without reducing the revolving credit facility commitment.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. For example, we continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing. We may also decide to conduct any such development through Wynn Resorts or through a line of subsidiaries separate from the Le R ve entities. In addition, Wynn Resorts' articles of incorporation provide that Wynn Resorts may redeem shares of its capital stock, including its common stock, that are owned or controlled by an unsuitable person or its affiliates to the extent a gaming authority makes a determination of unsuitability and orders the redemption, or to the

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

extent deemed necessary or advisable by the board of directors. The redemption price may be paid in cash, by promissory note or both, as required by the applicable gaming authority and, if not, as Wynn Resorts elects. Any promissory note that Wynn Resorts issues to an unsuitable person or its affiliate in exchange for its shares may increase our debt to equity ratio and will increase our leverage ratio.

### *Financing for the Macau Opportunity*

Wynn Macau has entered into a 20-year concession agreement with the government of Macau permitting it to construct and operate one or more casinos in Macau. The concession agreement obligates Wynn Macau to invest 4 billion patacas (approximately US \$500 million) in one or more casino projects in Macau by June 26, 2009 and to commence operations of its first permanent casino resort in Macau no later than December 2006. If Wynn Macau does not invest 4 billion patacas by June 26, 2009, it is obligated to invest the remaining amount in projects related to its gaming operations in Macau that the Macau government approves, or in projects of public interest designated by the Macau government. After construction of the first phase of Wynn Macau's first casino resort, Wynn Macau intends to satisfy its remaining financial obligations under the concession agreement through the development of future phased expansions and, possibly, additional casino resorts.

We intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau as part of the financing of the Macau opportunity. The indirect minority investors in Wynn Macau have agreed to participate in this additional investment along with Wynn Resorts to the extent of their proportionate effective interests in Wynn Macau. It is expected

62

---

that significant additional financing will be needed to fund the development, construction and operation of one or more casinos in Macau. Wynn Macau has begun preliminary discussions to arrange the additional financing, and is considering different alternatives, including debt financing or additional equity financing at the Wynn Macau level or at the level of Wynn Macau's intermediary holding companies. At the present time, Wynn Macau has not yet determined the amount of financing that will be required to complete the initial phase. If Wynn Resorts decides to raise additional equity at the Wynn Resorts level or at the Wynn Macau or intermediary holding company level to fund the Macau opportunity, its stockholders would suffer direct or indirect dilution of their interests. Wynn Macau currently has no commitments relating to any third party financing. We do not expect financing for any such project to be provided by or through any of the issuers or guarantors of the second mortgage notes (except for Wynn Resorts, if it becomes a guarantor) or any other financing relating to the Le R ve project.

### **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our subsidiaries' primary exposure to market risk will be interest rate risk associated with the revolving credit facility, the delay draw term loan facility and the FF&E facility, each of which will bear interest based on floating rates. Our subsidiaries will attempt to manage their interest rate risk by managing the mix of their long-term fixed rate borrowings and variable rate borrowings. Our subsidiaries are required to obtain interest rate protection through interest rate swap arrangements with respect to 50% of the term loans (including any revolving loans that may be converted into term loans). However, we cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

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

### **Inflation and Foreign Currency Risk**

We believe that our results of operations do not depend upon moderate changes in the inflation rate.

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

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

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

### Transactions with Related Parties

The financial statements of Valvino and its subsidiaries reflect certain transactions with related parties. Transactions with related parties, by their nature, may involve terms or aspects that differ from those that would have resulted from negotiations with independent third parties. See "Certain Relationships and Related Transactions."

## BUSINESS

### Overview

**Le Rêve.** We are constructing and will own and operate Le Rêve, which we have designed to be the preeminent luxury hotel and destination casino resort in Las Vegas. Le Rêve will be located on the Las Vegas Strip on the site of the former Desert Inn Resort & Casino, at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue, one-half block north of The Venetian and Treasure Island at The Mirage and across Las Vegas Boulevard from the Fashion Show Mall. We expect Le Rêve to feature approximately 2,700 luxurious guest rooms, a casually elegant approximately 111,000 square foot casino, 18 distinctive dining outlets, an exclusive on-site 18-hole championship golf course and a new water-based entertainment production.

Le Rêve is the concept of Stephen A. Wynn, one of Wynn Resorts' principal stockholders and its Chairman of the Board and Chief Executive Officer. Mr. Wynn previously was Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor from 1973 to 2000. In that role he was responsible for the development of some of the most successful, well-known casino-based entertainment resorts in the world, including Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and the Beau Rivage in Biloxi, Mississippi. At the time each of these resorts was completed, we believe that it was widely regarded as a significant major new attraction in its jurisdiction.

We expect Le Rêve, including the new golf course construction, to cost approximately \$2.4 billion to design, construct, develop, equip and open, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. We have scheduled ground-breaking to occur in October 2002, with an opening to the general public scheduled for April 2005.

**The Macau Opportunity.** Wynn Macau, a Macau company and majority-owned indirect subsidiary of Wynn Resorts, recently entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China to construct and operate one or more casino gaming properties in Macau. The Macau peninsula, located in southeast China on the South China Sea, is approximately 37 miles southwest of Hong Kong. Macau has been an established gaming market for at least 40 years and, according to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, Macau's casinos generated approximately US \$2.1 billion in gaming revenue in 2000. Wynn Macau currently is one of three concessionaires permitted to operate a casino gaming business in Macau.

The concession agreement requires Wynn Macau to construct and operate one or more casino gaming properties in Macau, including, at a minimum, one full-service casino resort by the end of December 2006, and invest not less than a total of 4 billion patacas (approximately US \$500 million, based on the October 22, 2002 exchange rate) in Macau-related projects by June 26, 2009. Wynn Macau will not begin construction or operation of any casino in Macau until a number of objectives and conditions are met, including obtaining sufficient financing. After construction of the first phase of Wynn Macau's first casino resort, Wynn Macau intends to satisfy its remaining financial obligations under the concession agreement through the development of future phased expansions and, possibly, additional casino resorts.

### Company Strategy

**Showcase the "Wynn Brand."** We believe that Mr. Wynn's involvement with Le Rêve and the Macau opportunity provides a distinct advantage over other gaming enterprises in Las Vegas and Macau. We believe that Mr. Wynn is widely viewed as the premier designer,

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

developer and operator of destination casino resorts in Las Vegas and, as such, has in effect developed a "brand name" status in the gaming industry.

While Mr. Wynn was Chairman of the Board of Mirage Resorts, he conceived of and oversaw the development and operation of some of the most successful, well-known casino-based entertainment resorts in the world, including Bellagio, The Mirage, Treasure Island at The Mirage, the Golden Nugget Las Vegas in Las Vegas, Nevada, as well as the Atlantic City Golden Nugget in New Jersey and the Beau Rivage in Biloxi, Mississippi. Mr. Wynn served as Chairman of the Board, President and Chief Executive Officer of Mirage Resorts and its predecessor for 27 years, until 2000, when MGM Grand acquired Mirage Resorts for approximately \$6.4 billion. The public filings and press releases of Mirage Resorts and MGM Mirage report that in fiscal year 1999, the last full year of Mr. Wynn's tenure with Mirage Resorts, the company had grown to own and operate eight hotel casino resort properties totaling 630,000 square feet of casino gaming space and 16,577 hotel rooms that generated approximately \$2.4 billion in revenue, \$573 million in earnings before depreciation, interest, taxes and pre-opening costs and \$110.4 million in net income.

In the major hotel destination casino resorts he has previously developed, Mr. Wynn has successfully employed a formula which integrates luxurious surroundings, upscale design, distinctive entertainment and superior amenities, including fine dining and high-end retail offerings, to create resorts that appeal to a variety of customers, especially high-end customers. We believe that Le R ve will be Mr. Wynn's most innovative work to date.

65

We believe that Le R ve will set a new standard of luxury and elegance for destination casino resorts in Las Vegas, much as Bellagio, and before it, The Mirage, did when they were built by Mirage Resorts under the guidance of Mr. Wynn. The following chart compares certain features of The Mirage and Bellagio with the features and amenities that we anticipate Le R ve will offer.

|                                       | <b>The Mirage(1)</b>  | <b>Bellagio(1)</b>  | <b>Le R ve</b>   |
|---------------------------------------|---|---|--|
| Year of Opening                       | 1989(2)   | 1998(2)   | April 2005   |
| Approx. Property Acreage              | 83(3)   | 90  | 192(4)   |
| Total Hotel Rooms (#)                 | 3,044   | 3,005   | Approx. 2,700  |
| Approx. Total Casino Sq. Ft.          | 107,200   | 155,000   | 111,000  |
| Table Games (#)                       | 120   | 141   | 136  |
| Slot Machines (#)                     | 2,294   | 2,433   | 2,000  |
| Restaurants (#)                       | 14(5)   | 17(6)   | 18   |
| Approx. Retail Sq. Ft.                | 35,000(2)   | 92,160(6)   | 77,500   |
| Approx. Convention Sq. Ft. (Gross)(7) | 170,000(8)  | 125,000(6)  | 223,000  |
| Approx. Showroom Seating (#)          | 2,769(8)  | 1,800(6)  | 2,080  |
| Entertainment/Attractions             | 54 ft. erupting volcano<br>Dolphin habitat<br>100 ft. atrium with tropical garden<br>Siegfried & Roy show<br>Shadow Creek golf course(9)<br>Danny Gans show | Dancing fountains "O" (Cirque du Soleil)<br>Botanical conservatory<br>Art gallery | Franco Dragone's water-based entertainment production<br>Adjacent championship golf course<br>Atrium garden feature<br>Mountain/lake setting<br>Art gallery(10)<br>Ferrari/Maserati dealership(11) |

(1) Unless otherwise indicated, the information provided for The Mirage and Bellagio is contained in the Annual Report on Form 10-K for the fiscal year ended December 31, 2001 filed by MGM Mirage.

(2) As reported in the Annual Report on Form 10-K for the fiscal year ended December 31, 1998 filed by Mirage Resorts.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

- (3) As reported in the Annual Report on Form 10-K for the fiscal year ended December 31, 1992 filed by Mirage Resorts. This number does not include Shadow Creek, an off-site golf course.
- (4) Le Rêve is located on an approximately 55-acre parcel of the property. The golf course will occupy approximately 137 acres of the property. This number does not include our parcel of approximately 20 acres currently used for our corporate offices, pre-opening activities, recruiting and employment purposes and employee parking.
- (5) Based on information provided by The Mirage on May 23, 2002.
- (6) Based on information provided by Bellagio on May 23, 2002.
- (7) Includes circulation (corridors) and patio space.
- (8) Based on information located at [www.mirage.com](http://www.mirage.com) as of May 23, 2002.
- (9) Shadow Creek golf course is located off-site approximately twelve miles from The Mirage.
- (10) Featuring works from The Wynn Collection.
- (11) We are in the process of seeking a zoning ordinance amendment to permit us to operate the dealership at the Le Rêve site.

66

---

**Develop Le Rêve as the Preeminent Luxury Hotel and Destination Casino Resort in Las Vegas.** Our business strategy for Le Rêve is to offer guests a luxurious experience at a premier destination casino resort in Las Vegas. We believe that the quality of our hotel, the gaming experience that we intend to offer and the restaurants, retail outlets, entertainment offerings, golf course and other amenities at Le Rêve will enable us to create a first-class environment of elegance, sophistication and luxury.

**Pursue the Opportunity to be One of Three Casino Operators in Macau.** Currently, Wynn Macau is one of only three concessionaires permitted to operate casinos in Macau, an established gaming market with access to gaming patrons principally from Hong Kong and mainland China. Wynn Macau has already begun planning for the development of the initial phase of its first Macau casino resort. See "Business The Macau Opportunity."

**Explore Opportunities for Future Growth.** We currently own approximately 212 acres of land, comprised of an approximately 55-acre plot on which Le Rêve is being constructed, an approximately 137-acre plot located behind the hotel on which the new golf course will be built and an additional parcel of approximately 20 acres fronting Las Vegas Boulevard next to the Le Rêve site. We will use the 20-acre parcel while we are constructing Le Rêve for our corporate offices, pre-opening activities, recruiting and employment purposes and employee parking. If Wynn Las Vegas meets prescribed cash flow tests for four consecutive calendar quarters after commencement of operations at Le Rêve and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features and the golf course, the 20-acre parcel will be released from the liens under the credit facilities and second mortgage notes and, in that event, we may decide to develop the parcel in the future, either on our own or through a joint venture. For example, in the future, we may decide to develop a second hotel casino as a Phase II development on the parcel to take advantage of the substantial infrastructure and amenities planned for Le Rêve. The Le Rêve design will include a major access corridor that could be used to connect a Phase II development to Le Rêve.

Similarly, three years after commencement of operations at Le Rêve and upon Wynn Las Vegas' satisfaction of prescribed maximum leverage ratio and minimum credit rating requirements and Wynn Las Vegas satisfies certain conditions relating to water required for the Le Rêve casino water features, the land underlying the golf course, which is owned by Wynn Resorts Holdings, a wholly owned indirect subsidiary of Wynn Resorts, will be released from the liens under the credit facilities and the indenture governing the second mortgage notes and could be transferred by Wynn Resorts Holdings to Wynn Resorts or another entity. Should the land be released from the liens, the golf course parcel and our related property rights present further opportunities for future development by Wynn Resorts. In addition, portions of the golf course land may be released from the liens to permit residential or other non-gaming development if Wynn Las Vegas satisfies prescribed cash flow tests for a full fiscal year after Le Rêve commences operation and the development does not interfere with the use of the golf course and otherwise could not reasonably be expected to materially impair the overall value of Le Rêve.

In addition, we continue to explore opportunities to develop additional gaming or related businesses in Las Vegas or other markets, whether through acquisition, investment or development. Any such development would require us to obtain additional financing. We may also decide to conduct any such development through Wynn Resorts or through a line of subsidiaries separate from the Le Rêve entities.

**Capitalize on Our Experienced Management and Design Teams.** The members of our management team have extensive experience in developing and operating large-scale hotels and casinos, and many of them worked with Mr. Wynn at Mirage Resorts. In addition to our

executive officers, each of whose background is described in "Management," our management team includes:

Rob Oseland, who is Chief Operating Officer of Wynn Las Vegas and previously served as Vice President of Slot Operations of Bellagio;

Linda Chen, who is Executive Vice President of Wynn Las Vegas and previously served as Executive Vice President of Far East Marketing of MGM Grand;

Doreen Whennen, who is Vice President Hotel Operations of Wynn Las Vegas and previously served as Vice President of Hotel Operations of The Mirage Casino-Hotel;

Kevin Stuessi, who is Vice President Food & Beverage of Wynn Las Vegas and previously served as Vice President of Food Service Planning of Mirage Resorts;

Karen Bozich, who is Vice President Chief Information Officer of Wynn Las Vegas and oversaw the information systems requirements for the design, building and opening of Bellagio and Beau Rivage;

Pete Lexis, who is Vice President Customer Development of Wynn Las Vegas and previously served as Vice President of Casino Marketing of the Desert Inn; and

Allen McNeary, who is Vice President Retail Operations of Wynn Las Vegas and was previously a principal at Dembart-McNeary Group, a brand development consultancy and held management positions at several Fortune 500 brand marketing companies.

In addition, the members of our design team have extensive experience in designing, constructing and completing major hotel casino resorts. See "Design and Construction Team."

We believe that the experience, talent and commitment of the members of our management and design teams provide a substantial competitive advantage.

### **Le Rêve Strategy**

***Create a "Must-Visit" Destination Casino Resort on the Las Vegas Strip.*** We believe that Le Rêve will represent a natural extension of the concepts Mr. Wynn has utilized in developing other major destination casino resorts. Following Mr. Wynn's formula, we plan to draw customers to Le Rêve by offering high-quality, non-gaming amenities such as fine dining, premier retail shopping and distinctive entertainment in intimate, luxurious surroundings. Le Rêve will have a sophisticated, casually elegant ambience rather than being focused on a highly themed experience like many other hotel casino resorts on the Las Vegas Strip. We believe that, over time, Le Rêve's more generally themed casually elegant environment, together with its high-quality amenities, superior level of service and distinctive attractions, will have greater lasting appeal to customers than a resort with a particular theme and numerous attractions based on that theme.

We will seek to differentiate Le Rêve from other major Las Vegas resorts by concentrating on our fundamental elements of design, atmosphere, personal service and level of luxury. Le Rêve will offer our guests lush landscaping and tiered waterfalls, an approximately three-acre lake in front of the hotel that guests can view only after entering the property and an arc-shaped hotel tower instead of the three-pointed "Y" and four-pointed "X" configurations that have become commonplace among Las Vegas hotel casino resorts. We believe that the elegance of Le Rêve, and its convenient location on the Las Vegas Strip, will appeal to a variety of market segments, including high-end, casino, convention, leisure and tour and travel customers.

***Open the First New Major Hotel Casino Resort on the Las Vegas Strip in Almost Five Years.*** Although a number of hotel casino resorts have announced or begun construction of expansion projects that will add to the number of hotel rooms on the Las Vegas Strip, we are not aware of any other major new hotel casino resort that plans to open on the Las Vegas Strip before Le Rêve. Therefore, at the time of Le Rêve's planned opening in April 2005, we believe that it will have been almost five years since a major new hotel casino resort opened on the Las Vegas Strip. As a result, we expect that there will be a high level of anticipation for Le Rêve. We intend to capitalize on this high level of anticipation, as well as the tendency of customers in the Las Vegas market to gravitate toward new attractions and locations. When Bellagio opened in 1998 there was widespread publicity in newspapers, radio and other media outlets. We anticipate that publicity regarding Le Rêve's opening will be comparable.

***Provide an Experience of the Highest Standard of Luxury in an Atmosphere of Casual Elegance.*** We are designing Le Rêve to appeal to upscale clientele looking for a first-class environment of elegance, sophistication and luxury. We will seek to attract a range of customers, including middle market customers and high-roller and premium gaming patrons, by providing guests with a premium level of luxury, amenities and service.

We believe that the key elements of our approach, as currently planned, include:

Providing hotel guests with what we believe will be the most luxurious hotel resort environment on the Las Vegas Strip, including richly furnished standard guest rooms consisting of approximately 620 square feet, which we believe are larger than standard rooms generally available on the Las Vegas Strip, elegantly appointed suites beginning at approximately 1,250 square feet, fairway lanai suites beginning at approximately 2,200 square feet and six large villas averaging approximately 7,000 square feet;

Offering a casually elegant casino featuring an estimated 2,000 slot machines and 136 table games with gaming limits to accommodate a full range of casino customers;

Providing an intimate setting by minimizing walking distances throughout the hotel with a well-designed, organized floor plan intended to facilitate guest orientation and familiarity with the property;

Featuring a tree-lined, manmade "mountain" approximately eight stories tall along Las Vegas Boulevard enclosing the area in front of the hotel, including an approximately three-acre manmade lake, to create an intimate environment for our guests;

Offering extensive recreational facilities and amenities for guests, such as a newly constructed Tom Fazio/Steve Wynn-designed, exclusive 18-hole championship golf course on the premises which will only be open to hotel guests;

Offering an estimated 18 dining outlets, including six fine-dining restaurants, one of which will feature cuisine by Daniel Boulud of New York's DANIEL and Café Boulud restaurants;

Featuring at Le Rêve's approximately 2,080-seat showroom a new water-based entertainment production developed by Franco Dragone, the creative force behind Bellagio's production of "O," Treasure Island at The Mirage's production of "Mystère" and Celine Dion's new production at Caesars Palace's "Colosseum," which is expected to open in the first quarter of 2003;

Offering an on-site, full-service Ferrari and Maserati dealership;

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Offering an art gallery displaying works from The Wynn Collection, which at various times has included works by such masters as Paul Cézanne, Paul Gauguin, Édouard Manet, Henri Matisse, Amedeo Modigliani, Claude Monet, Pablo Picasso and Vincent Van Gogh;

Providing a high level of guest service at Le Rêve that we believe will surpass that offered at any other destination casino hotel in Las Vegas; and

Offering our guests easy access to premium shopping either at Le Rêve or across the street at the newly expanded and renovated Fashion Show Mall.

***Appeal to "High-Roller" and Premium Gaming Patrons.*** We believe that the premium level of luxury, sophistication and service we intend to offer at Le Rêve, together with Mr. Wynn's experience and reputation in building and operating premier Las Vegas destination casino resorts, will appeal to high-roller international and domestic gaming patrons. In addition to the main casino, Le Rêve will offer a baccarat salon and private high-limit gaming rooms designed to create a sense of comfort and exclusivity for high-end gaming customers. In addition to standard hotel guest rooms, Le Rêve plans to offer approximately 290 suites and six villas, all elegantly decorated and furnished.

We also expect to capitalize on the substantial network of international and domestic high-roller and premium customers who are familiar with Mr. Wynn from his tenure at Mirage Resorts. We believe that in operating some of the signature properties in Las Vegas, Mr. Wynn has developed a high degree of customer recognition and guest loyalty and therefore believe that Le Rêve will attract wealthy international and domestic gaming customers. We believe that Mr. Wynn's reputation will attract experienced, high-level international and domestic casino marketing executives. We plan to have marketing executives located in local offices in Tokyo, Hong Kong, Macau, Singapore, Taiwan, Europe, New York and southern California, as well as independent marketing representatives in major U.S. and foreign cities. Mr. Wynn is not bound by any non-competition or non-solicitation agreements with MGM Mirage arising out of the acquisition of MGM Grand's acquisition of Mirage Resorts.

***Generate Substantial Revenue from Le Rêve's Non-Gaming Amenities.*** We have planned Le Rêve as a luxury destination resort with amenities designed to generate substantial non-gaming revenue. We expect Le Rêve's superior non-gaming amenities outlined above to provide for a substantial portion of our overall revenue.

### ***Capitalize on the Attractive Location of Le Rêve.***

***Extensive Frontage on the Las Vegas Strip.*** Le Rêve will be located on the Las Vegas Strip at the site of the former Desert Inn Resort & Casino on the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue. Le Rêve will have approximately 1,350 feet of frontage on the Las Vegas Strip and will be located near some of the most visited hotel casino resorts and attractions on the Las Vegas Strip, including Bellagio, Caesars Palace, The Mirage, Treasure Island at The Mirage and The Venetian.

The Le Rêve site consists of approximately 55 acres of land, where the hotel complex will be built, and approximately 137 acres of land behind the hotel site on which the new golf course will sit. In addition, the site includes a 20-acre parcel fronting Las Vegas Boulevard adjacent to Le Rêve. In total, the Le Rêve site consists of 212 acres. The back of the Le Rêve property runs along Paradise Road, a major artery in the resort corridor that leads directly to and from McCarran International Airport. Le Rêve will be conveniently accessible in an average of approximately four minutes from the Spring Mountain Road exit off of Interstate 15, and in an average of approximately ten minutes from McCarran International Airport.

***Proximity to the Las Vegas Convention Center and the Sands Expo and Convention Center.*** According to Tradeshow Week 200, Las Vegas was the most popular trade show

destination in the United States in terms of net square footage and number of Tradeshow Week 200 shows in 2001 and one of the most popular convention destinations in the United States. Le Rêve will be across the street from two of the nation's largest convention centers, the Las Vegas Convention Center and the Sands Expo and Convention Center.

The Las Vegas Convention Center contains approximately 3.2 million square feet of convention space. According to the Las Vegas Convention and Visitors Authority, approximately 1.3 million visitors attended trade shows and conventions at the Las Vegas Convention Center during 2001. We anticipate that the Las Vegas Convention Center will be accessible from Le Rêve by a pedestrian crossing at Paradise Road. In addition, the Las Vegas Monorail Company is constructing a monorail station at the intersection of Desert Inn Road and Paradise Road which will meet the pedestrian crossing. We anticipate that our free shuttle service, which will run along the north perimeter of the golf course, will provide convention and trade show attendees and other Le Rêve visitors with quick and convenient transportation to and from the

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

convention center. We believe that this will be attractive to convention and trade show visitors who will not need to wait in long lines for taxicabs and can avoid traffic congestion around the Las Vegas Convention Center in traveling to or from Le Rêve.

To the south, Le Rêve will be directly across Sands Avenue from the approximately 1.2 million square foot Sands Expo and Convention Center. This complex will be within a short walking distance from Le Rêve's Sands Avenue entrance and we anticipate that the Sands Expo and Convention Center will be accessible from Le Rêve by a pedestrian bridge which we understand Clark County plans to build. According to the public filings of Las Vegas Sands, Inc., an affiliate of the owner of the Sands Expo and Convention Center, approximately 1 million visitors attended trade shows and conventions at the Sands Expo and Convention Center during 2001.

We believe that Le Rêve's proximity to these trade show and convention facilities will make Le Rêve particularly attractive to business customers who attend trade shows and conventions. We expect these customers to be a source of room demand for Le Rêve during mid-week periods when room demand by leisure travelers is typically lower. Because of this source of room demand, we believe that we will be able to charge higher mid-week room rates than those of other Las Vegas Strip hotels.

*Proximity to the Fashion Show Mall.* Le Rêve will be directly across Las Vegas Boulevard from The Rouse Company's Fashion Show Mall. We anticipate that Le Rêve will be connected to the mall by a pedestrian bridge which we understand Clark County plans to build. The Fashion Show Mall contains premium retail stores and anchor tenants such as Neiman Marcus, Saks Fifth Avenue and Macy's and is currently undergoing a substantial remodeling and expansion program, which is expected to be completed by October 2003. When the remodeling and expansion are completed, the Fashion Show Mall is expected to house a number of new stores, including Nordstrom, Lord & Taylor and Bloomingdale's Home & Furniture. We anticipate that the proximity of the Fashion Show Mall to our retail shops will draw significantly more shoppers to the area.

***Carefully Manage Construction Costs and Risks.*** Wynn Design & Development, a wholly owned indirect subsidiary of Wynn Resorts, is responsible for managing construction costs and risks associated with the project. Marnell Corrao will be the builder and general contractor for Le Rêve. Marnell Corrao has extensive experience in building large Las Vegas destination resorts, including Bellagio, The Mirage, Treasure Island at The Mirage and New York-New York Hotel and Casino. We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the cost of the land, capitalized interest, pre-opening expenses and all financing fees. Of that amount, the design and construction costs are estimated to be approximately \$1.4 billion. We have entered into a guaranteed maximum

71

---

price construction contract covering approximately \$919 million of the budgeted construction cost. The guaranteed maximum price is subject to increases because of, among other things, scope changes, to the project. Plans for a substantial portion of the budget for this contract have not been finalized. We plan to implement specific mechanisms that are intended to reduce the risk of construction cost overruns and delays, including:

- a \$150 million contractor performance and payment bond securing Marnell Corrao's obligations under the construction contract;

- a guaranty by Marnell Corrao's parent company, Austi, of Marnell Corrao's full performance under the construction contract until final payment under that contract;

- a \$50 million completion guarantee in favor of the lenders under the credit facilities and second mortgage note holders by a special purpose subsidiary of Wynn Las Vegas, which completion guarantee will be secured by \$50 million of the proceeds of this offering contributed to the subsidiary and deposited in a collateral account and pledged to the lenders under the credit facilities and second mortgage note holders, to be applied to the costs of the project in accordance with disbursement agreement;

- a liquidity reserve account to be held by Wynn Las Vegas which will be funded by \$30 million of the net proceeds of this offering pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas' obligation to develop and construct Le Rêve and to be applied to the costs of the project in accordance with the disbursement agreement;

- a \$34.3 million owner's contingency that Wynn Las Vegas may use, subject to the limitations set forth in the disbursement agreement, to cover owner-created delays and owner-originated changes in the scope of the work and other cost overruns;

- a liquidated damages provision requiring Marnell Corrao to pay us \$300,000 for each day the completion of construction is delayed, following a five-day grace period and subject to force majeure and other permitted extensions, up to a maximum

amount of \$9 million; and

anticipated remaining availability of approximately \$33.8 million under Wynn Las Vegas' revolving credit facility that may be used to pay interest under the credit facilities and the second mortgage notes and other financing fees if completion is delayed.

We have entered into a separate design/build contract with Bomel Construction Company, Inc. for the design and construction of the parking structure. Bomel has extensive experience constructing parking structures, including garages at Paris Las Vegas, Green Valley Ranch Station and The Palms Casino Resort. We are currently soliciting bids for construction of the new golf course and expect to award the contract in the fourth quarter of 2002. We expect that the newly constructed golf course will be available for play when Le Rêve opens.

## **The Le Rêve Resort**

### **Features of the Le Rêve Project**

As noted elsewhere in this prospectus, although we have determined the overall scope and general design of Le Rêve, we will continue to evaluate the Le Rêve project design in relation to its construction schedule and budget and the demands of the Las Vegas tourism and gaming market. All of the features of Le Rêve described in this prospectus are based on our current plans for the project, and, therefore, the design of individual elements of Le Rêve may be refined from the descriptions contained in this prospectus; however, project changes are limited in certain respects by the documents governing Wynn Las Vegas' indebtedness.

**The Hotel.** We have designed Le Rêve's hotel tower to contain 45 floors of hotel rooms and suites on top of a three-story low-rise building housing restaurants, retail outlets and the

72

---

casino. The building will have a total area of approximately 5.2 million square feet. The high-rise building is configured in the shape of a gentle arc with the focal point of the tower being the Le Rêve lake, an approximately three-acre manmade lake situated in front of the hotel, and the manmade "mountain" in front of the lake along the Las Vegas Strip. We are designing the Le Rêve lake and "mountain" to provide special effects intended to entertain our guests and the pedestrians who come to our hotel and casino.

The Le Rêve hotel guest main arrival area will feature an atrium garden adjacent to the registration desk with a view of the Le Rêve lake below. We are designing Le Rêve to provide an intimate setting by minimizing walking distances throughout the hotel with a well-designed, organized floor plan to facilitate guest orientation and familiarity with the property. On average, we expect that walking distances from the registration hosts to the guest elevators will be only approximately 460 feet. Comparative distances at The Venetian, Bellagio and The Mirage are approximately 530 feet, approximately 545 feet and approximately 570 feet, respectively. Once the guests arrive on their floor, we expect that the maximum walking distance to the most remote guest room will be approximately 240 feet, as compared to similar hotels such as Bellagio, The Mirage, Treasure Island at The Mirage and The Venetian at approximately 360 feet.

**The Guest Rooms.** We intend to decorate our approximately 2,400 standard guest rooms with sophisticated interior design elements and materials. The standard guest rooms have been designed to have a floor layout of approximately 620 square feet, which is approximately 100 to 125 square feet more than the industry standard for a standard guest room. The arc-shaped design of our high-rise building will provide rooms with a view of the golf course, lake and "mountain" setting or the surrounding mountains and has enabled us to design these rooms with widened entryways consisting of six-foot wide marble foyers. All standard rooms will have views of either the golf course or Las Vegas Boulevard and also are expected to have large working desks equipped with convenient and accessible electrical outlets. Additionally, we expect that each guest room will have a dedicated high-speed Internet connection utilizing state-of-the-art broadband connections that, for an additional fee, can be upgraded for in-room wireless Internet access with an adapter. Generally, this type of broadband connection currently is not available in the guest rooms of other hotels in Las Vegas. We expect that standard room bathrooms will have an oversized countertop, double sinks, a makeup area and television, a glass shower enclosure, a separate toilet compartment and a bathtub for two.

We also plan for Le Rêve to provide single and multiple bedroom luxury suites with superior amenities and furnishings designed to accommodate high-end hotel guests. Le Rêve expects to offer 270 parlor and salon suites (beginning at approximately 1,250 square feet) located in the tower of the hotel high-rise building and 18 to 21 one- and two-bedroom fairway lanai suites (beginning at approximately 2,200 square feet) located on the east side of the low-rise complex overlooking the golf course. The high-rise suite area will be separated from the standard guest rooms on each floor by a glass door, effectively creating a separate but adjoining "suite tower" accessible only to suite occupants. Occupants of the suites can also make use of a special hotel garden entrance to the hotel, located off of the south porte cochere VIP arrival area, as well as an exclusive elevator for the suites. The suites will be conveniently located near the casino and some of the fine-dining restaurants.

We believe that we have designed these elegant and spacious suites to satisfy the expectations of the highly sought-after international gaming customer. The salon suites' living rooms and bedrooms are designed to have views overlooking the Las Vegas Strip or Las Vegas' surrounding geography. We plan for each salon suite to feature a luxurious lounge area with a media center, adjacent dining or conference area, wet bar and oversized bathroom.

We believe that the location of our lanai suites on the golf course fairway will be especially attractive to our VIP gaming customers and hotel guests who desire the peace and privacy of staying in more secluded living quarters detached from the main hotel complex. The 18 to 21 fairway lanai suites will be situated in a three-story structure and will be conveniently located near our four swimming pools. We plan for each of our fairway lanai suites to have its own private patio overlooking the golf course and will include programmable guestroom controls to accommodate many of the native languages of our hotel guests. We believe that each of our suites will be decorated and furnished to satisfy the most discriminating tastes and clientele.

We also plan to offer four two-bedroom and two four-bedroom villas located in the low-rise structure of our hotel. Our villas will average approximately 7,000 square feet. Our villas will be accessible via a private entry located off of the south porte cochere VIP arrival area and will be conveniently located close to our retail stores and fine-dining restaurants.

**The Casino.** We expect Le Rêve to have an approximately 111,000 square foot casino located in the center of the first level of the low-rise building. Le Rêve's casino will be designed with a feeling of casual elegance and color palettes that complement Le Rêve's resort setting. We have planned the casino to have a well-organized floor plan and well-defined pathways that will allow our patrons easy access to the casino. The casino's main gaming area will contain an estimated 136 table games and 2,000 slot machines, a race and sports book, poker room and keno lounge. Our gaming limits will accommodate a full range of casino customers. In addition, Le Rêve will have a baccarat salon and private gaming rooms with direct access from the "suite tower." We plan for each private gaming room to be elegantly appointed with its own private dining room and patio terrace overlooking Le Rêve's pools. We will market the casino directly to gaming customers using database marketing techniques, slot clubs and traditional incentives, such as reduced room rates and complimentary meals and suites. We will offer high-roller gaming customers premium suites and special hotel services.

**The Golf Course.** We plan to construct a world-class, 18-hole championship golf course at the site of the former Desert Inn golf course. Based on current publicly available plans, when Le Rêve opens, we believe this golf course will be the only golf course on the site of a hotel casino resort on the Las Vegas Strip. Tom Fazio and Mr. Wynn, the designers of the Shadow Creek golf course owned by MGM Mirage, have designed Le Rêve's golf course, which will be accessible only to hotel guests of Le Rêve. We expect that the golf course will feature three lakes and a series of meandering streams that will carve their way from the west to east end of the property. We have designed the golf course with dramatic elevation changes and plan to include water on almost every hole. Unlike other courses available to Las Vegas visitors, Le Rêve's golf course will be adjacent to the hotel and will be visible from the windows of many of Le Rêve's meeting and convention rooms. We expect that the golf course will be available for play when Le Rêve opens.

**Restaurants, Lounges, Bars and Nightclub.** We plan to offer 18 food and beverage outlets, including six fine-dining restaurants and an approximately 600-seat buffet. We plan to follow the approach Mr. Wynn utilized at Mirage Resorts in seeking to persuade signature chefs to either move to Las Vegas or open second versions of restaurants that are well-known in other cities. In July 2002, Wynn Las Vegas entered into a restaurant management agreement with Dinex Management, LLC to provide the cuisine and services of Daniel Boulud, who was named "Chef of the Year" by *Bon Appetit Magazine* in 1999, and is known for his New York restaurants, DANIEL and Café Boulud. DANIEL was awarded four stars by the New York Times in 2001, was rated one of the ten best restaurants in the world by *The*

*International Herald Tribune* in 1993 and received *Gourmet Magazine's* "Top Table" award in 1997.

We plan to engage a number of well-known interior designers to decorate and stylize Le Rêve's numerous restaurants. We expect Le Rêve to offer a full complement of lounges and bars and a nightclub. We have planned for several of our restaurants to overlook the Le Rêve lake and will offer outdoor lounges and/or dining areas.

**The Showroom.** Le Rêve's showroom will be customized to accommodate the unveiling of Franco Dragone's new water-based entertainment production. Mr. Dragone is the creative force behind Bellagio's production of "O" and Treasure Island at The Mirage's production of "Mystère," as well as Celine Dion's new production at the approximately 4,000-seat performing arts "Colosseum" currently being constructed by Caesars Palace and scheduled for completion in the first quarter of 2003. "O" and "Mystère" reportedly have been consistently sold out since

opening.

The showroom will seat approximately 2,080 guests and will feature an approximately 1,000,000 gallon performance pool. The seating for the showroom is designed to extend around the performance area a full 360 degrees and to be suspended over the performance pool with no seat farther than approximately 42 feet from the performance area.

**The Art Gallery.** Le Rêve will also offer an art gallery displaying rare paintings from The Wynn Collection. The Wynn Collection consists of works from 19<sup>th</sup> and 20<sup>th</sup> century European and American masters, and at various times has included works by Paul Cézanne, Paul Gauguin, Édouard Manet, Henri Matisse, Amedeo Modigliani, Claude Monet, Pablo Picasso and Vincent Van Gogh. Several of these paintings were on display at Bellagio before MGM Grand's acquisition of Mirage Resorts. Subject to certain notice restrictions, Mr. and Mrs. Wynn will retain the right to remove or replace any or all of the works of art that will be displayed in the art gallery. We will lease The Wynn Collection from Mr. and Mrs. Wynn. We will be obligated to pay a monthly payment equal to one-half of the gross revenue, as calculated under the agreement, received by the gallery each month, less direct expenses, subject to a monthly cap. However, if there is a loss in any particular month, as calculated under the agreement, Mr. and Mrs. Wynn will be obligated to reimburse us the amount of the loss. After specified notice periods, we or Mr. and Mrs. Wynn may terminate this lease. See "Certain Relationships and Related Transactions Art Gallery."

**The Ferrari and Maserati Dealership.** We have entered into letters of intent with Ferrari North America, Inc. and Maserati North America, Inc. to open an authorized on-site, full-service Ferrari and Maserati dealership. We expect that our franchises will include a service and maintenance facility, as well as a café and retail store. Currently, there are only 29 Ferrari dealerships in the United States and we expect ours to be the first in Nevada. The dealership will be located near the main entrance to the hotel.

The letters of intent, as amended, require us to submit designs and plans for the dealership to Ferrari North America and Maserati North America for approval and to satisfy certain financing and other ongoing conditions, including minimum working capital and net worth requirements. The letters of intent also require us to provide quarterly updates as to the status of construction of Le Rêve and to continuously meet all capital, facility, personnel, customer satisfaction and operational standards of Ferrari North America and Maserati North America. If we are approved to operate the franchises, Ferrari North America and Maserati North America will have first and senior priority security interests in their respective franchises. Under these letters of intent, we are required to notify Ferrari North America and Maserati North America at least sixty days prior to the sale of any of our stock by Mr. Wynn and, if practicable, by Aruze USA. If advance notification is not practicable, we must notify Ferrari North America and Maserati North America promptly after we learn of any sale of our

75

---

stock by Aruze USA. Under these letters of intent, Mr. Wynn may not hold less than 50% of the voting power of our issued and outstanding voting stock without the prior written approval of Ferrari North America and Maserati North America. For the purpose of this requirement, under the letters of intent, Mr. Wynn is considered to hold all shares subject to the voting agreement contained in the stockholders agreement, including shares held by Aruze USA. Mr. Wynn currently meets and, upon the completion of this offering, is expected to meet, this requirement. Under these letters of intent, we are also required, barring any unforeseen delays in the construction of Le Rêve, to commence dealership operations by December 31, 2004. If we are unable to open our permanent dealership by this date, it is currently contemplated that we may open a temporary dealership. For more information about the stockholders agreement between Mr. Wynn, Aruze USA and Baron Asset Fund, see "Certain Relationships and Related Transactions Stockholders Agreement" and "Ownership of Capital Stock."

We are in the process of seeking a zoning ordinance amendment to permit us to operate the dealership at the Le Rêve site. Under the letters of intent, we are required to (1) file a petition with Clark County for the amendment of the applicable land use ordinance by December 1, 2002, (2) file, as soon as possible after the amendment of the land use ordinance, the necessary application for land use approval and (3) obtain both the ordinance amendment and the land use approval no later than October 1, 2003.

**Retail Space.** We expect that Le Rêve will contain approximately 77,500 square feet dedicated to retail shops. We expect to lease approximately eight of the shops to tenants operating boutiques, including brand name and high-end boutiques. We plan to operate the remaining approximately 18 stores, including a golf shop and other shops selling, among other things, men's clothing, women's apparel and accessories, art, watches, sundries and proprietary Le Rêve products.

**The Spa, Salon and Fitness Complex.** We plan to own and operate an approximately 38,000 square foot world-class spa, salon and fitness complex offering high-end spa treatments and fitness equipment and custom label and branded skin and body treatment products, as well as clothing, accessories, and athletic wear.

**Swimming Pools.** Le Rêve will offer its guests four outdoor swimming pools and two whirlpool spas. Two swimming pools will be dedicated for the exclusive use of our suite guests. All of the pool areas will feature private cabanas and lush landscaping.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

**Convention, Meeting and Reception Facilities.** Le Rêve expects to feature approximately 223,000 square feet of convention, meeting and reception space (including corridors and patio space), including a grand ballroom, a junior ballroom and meeting rooms with outdoor patios overlooking either the pool area or the golf course, as well as boardrooms and a business center. Covered patios off of the meeting rooms will be available as pre-function or break-out areas.

**The Wedding Chapels.** Le Rêve will include two intimate wedding chapels that we expect will accommodate 60 guests each.

**Parking.** Our north parking garage, which will have easy access to our hotel, will provide approximately 1,840 parking spaces for our guests and other visitors. The second level of the north parking garage will connect to a retail promenade that will lead to our casino. We will have two levels of valet parking under the hotel and a separate parking area for employees located on the 20-acre parcel next to the Le Rêve. In total, we expect that there will be approximately 4,050 parking spaces available to guests and employees of Le Rêve.

76

---

### Design and Construction Team

Wynn Resorts' indirect subsidiary, Wynn Design & Development, together with Stephen A. Wynn, is designing Le Rêve. Wynn Design & Development, which will supervise construction of Le Rêve, is comprised of a highly qualified team of specialists with an impressive track record in designing, constructing and completing major hotel casino resorts. The Wynn Design & Development team includes:

*Kenneth R. Wynn, President.* Kenneth R. Wynn will be supervising the construction, architectural and interior design and purchasing for Le Rêve. Kenneth R. Wynn previously served as President of Atlandia Design & Furnishings, Inc., then a wholly owned subsidiary of Mirage Resorts, where he directly supervised the construction, architecture, interior design and purchasing departments, as well as outside contractors and consultants, for all of Mirage Resorts' new construction and remodel projects, including Bellagio, The Mirage, Treasure Island at The Mirage and Golden Nugget Las Vegas.

*W. Todd Nisbet, Executive Vice President Project Director.* Mr. Nisbet will be supervising the construction of Le Rêve. Mr. Nisbet has over 15 years of experience in the construction industry through his employment by Marnell Corrao, where he had direct supervisory capacity over the construction of Bellagio, Treasure Island at The Mirage, projects at The Mirage, such as the expansion of the convention center, the volcano upgrade and the high limit slot area, and the expansion of the north casino at Caesars Palace.

*DeRuyter O. Butler, Executive Vice President Architecture.* Mr. Butler has been employed by Atlandia Design & Furnishings or Wynn Design & Development for nearly 20 years. Mr. Butler directly supervised the architectural design of major hotel casino resorts such as Bellagio, The Mirage, Treasure Island at The Mirage and the Golden Nugget Las Vegas.

*Roger P. Thomas, Executive Vice President Design.* Mr. Thomas, who served as Senior Vice President Design for Atlandia Design & Furnishings for over 15 years, was responsible for the interior design of The Mirage, including the standard rooms, suites and villas, the spa and salon, the Siegfried & Roy and Danny Gans showrooms and the expansion of the convention center. In addition, Mr. Thomas was responsible for the interior design of Bellagio and the Golden Nugget Las Vegas and much of the interior design at Treasure Island at The Mirage, including the redecoration of the original tower, the casino and the lobby.

*Janellen Sachs Radoff, Vice President Design.* Ms. Radoff held the position of Executive Designer at Atlandia Design & Furnishings for almost 15 years and has over 25 years of experience in interior design. Ms. Radoff worked with Mr. Thomas to create the interior design of major hotel casino resorts projects such as Bellagio, The Mirage and the Golden Nugget Las Vegas.

### Construction Schedule and Budget

We have scheduled groundbreaking for Le Rêve to occur in October 2002, with an opening to the general public scheduled for April 2005.

Wynn Design & Development, an indirect wholly owned subsidiary of Wynn Resorts, is responsible for the design and architecture of Le Rêve (except for the showroom, the golf course and the parking garage) and for managing construction costs and risks associated with the Le Rêve project. Nevada law requires that a firm licensed as a professional architectural organization certify architectural plans. These architectural services for the Le Rêve project will be provided by the firm of Butler/Ashworth Architects, Ltd., LLC. The principals of the Butler/Ashworth firm are DeRuyter O. Butler and Glen Ashworth, both of whom are employees of Wynn Design & Development. Mr. Butler is Executive Vice President of Wynn Design & Development. Wynn Design & Development is the only client of the Butler/Ashworth firm and pays the salaries

and benefits of Messrs. Butler and Ashworth. Neither we nor Mr. Wynn has an ownership interest in Butler/Ashworth.

77

---

We expect the total development cost of Le Rêve to be approximately \$2.4 billion, including the budgeted design and construction costs, cost of the land, capitalized interest, pre-opening expenses and all financing fees. The required cash interest payments and commitment fees on the credit facilities, the FF&E facility, the second mortgage notes and any other indebtedness and obligations of ours which will be due before the estimated commencement date of operations of Le Rêve have been included in our estimate of the total development cost.

Of the estimated \$2.4 billion total development cost for Le Rêve, the design and construction costs are budgeted to be approximately \$1.4 billion, including the cost of constructing the golf course and principal parking garage. The remaining approximately \$1 billion of development costs includes costs such as pre-opening costs, entertainment production costs, site acquisition costs, construction period interest, financing fees and certain furniture, fixtures and equipment, such as slot machines, computer equipment and kitchen and dining supplies.

In an effort to manage our construction risk, we have entered into a guaranteed maximum price construction contract with Marnell Corrao covering approximately \$919 million of the budgeted \$1.4 billion design and construction cost. The \$919 million guaranteed maximum price is subject to increases because of, among other things, scope changes to the project. Although we have determined the overall scope and design of Le Rêve, not all of the plans and specifications for the construction components that are the subject of the guaranteed maximum price contract have been finalized and, under certain circumstances, we will be responsible for excess costs with respect to these components. See "Construction Contracts for Le Rêve" and "Risk Factors Risks Associated with Our Construction of Le Rêve."

Approximately \$488 million of the \$1.4 billion budgeted design and construction cost expenditures are not part of the Marnell Corrao guaranteed maximum price contract. These budgeted costs include:

owner-managed interior design and related furniture, fixtures and equipment, construction of restaurant and retail spaces, including tenant allowances, signage and electronic systems, site work and exterior features at a budgeted cost of approximately \$303.0 million;

construction of the new golf course at a budgeted cost of approximately \$21.5 million;

construction of the principal parking garage at a budgeted cost of approximately \$11.5 million;

estimated design and engineering professional fees of approximately \$67.4 million;

costs of obtaining required governmental approvals and permits and utility service connection fees of approximately \$13.8 million;

costs of miscellaneous capital projects, including demolition and mock-up costs, of approximately \$23.8 million;

utilities and security costs during construction of approximately \$6.3 million;

estimated insurance costs of approximately \$13.9 million for builder's risk insurance, fees and reserves under the owner-controlled insurance program, umbrella and excess liability insurance and design professional liability insurance during the construction period; and

78

---

contingency of approximately \$26.7 million of the total owner's contingency of \$34.3 million.

We are responsible for these components of the budget, including any cost overruns with respect to these components. Of this remaining \$488 million of budgeted design and construction costs, we have spent approximately 8.4% to date. We have received bids with respect to items comprising another approximately 36.6% of these remaining budgeted costs (though we have not accepted these bids and therefore the bids are subject to change). Accordingly, we have spent money or received non-binding bids for a total of approximately 45% of these remaining budgeted costs.

We have entered into a design/build contract with Bomel for the design and construction of the principal parking garage for a lump sum of \$9.9 million, subject to certain exceptions, including any changes in the scope of work, force majeure or owner delays. Design work for the construction is substantially complete. We expect that construction will commence in October 2002. We are currently soliciting bids for the construction of the golf course and expect to award the contract in the fourth quarter of 2002. We expect that the newly constructed golf course will be available for play when Le Rêve opens.

We expect to lease approximately eight of the retail shops at Le Rêve to third parties and intend to provide some of our retail tenants an allowance for improvements as part of the lease arrangements. We will own and operate the remaining approximately 18 retail shops at Le Rêve and will be responsible for constructing any improvements. These construction costs and allowances are included in our design and construction budget for Le Rêve. Design and/or construction costs in excess of an allowance are intended to be the responsibility of the particular retail tenant. Nevertheless, if we are unable to successfully negotiate leases consistent with our design and construction budget, we may have to fund or construct, at our cost, additional improvements in connection with the leases relating to the space.

We intend to operate most of the restaurants at Le Rêve. We plan to construct the improvements for all of the restaurants, whether managed by us or by third parties, and the costs of those improvements are included in our design and construction budget.

We believe that the overall design and construction budget of \$1.4 billion is reasonable. In addition to the guaranteed maximum price provisions of the construction contract, we plan to implement specific mechanisms that are intended to reduce the risk of construction cost overruns and delays, including:

- a \$150 million contractor performance and payment bond securing Marnell Corrao's obligations under the construction contract;

- a guaranty by Marnell Corrao's parent company, Austi, of Marnell Corrao's full performance under the construction contract until final payment under that contract;

- a \$50 million completion guarantee in favor of the lenders under the credit facilities and the second mortgage note holders by a special purpose subsidiary of Wynn Las Vegas, which completion guarantee will be secured by \$50 million of the proceeds of this offering contributed to the special purpose subsidiary, deposited in a collateral account and pledged to the lenders under the credit facilities and the second mortgage note holders, to be applied to the costs of the project in accordance with the disbursement agreement;

- a \$30 million liquidity reserve account to be held by Wynn Las Vegas which will be funded by \$30 million of the net proceeds of this offering pledged to the lenders under the credit facilities and second mortgage note holders to secure Wynn Las Vegas'

---

- obligation to develop and construct Le Rêve and to be applied to the costs of the project in accordance with the disbursement agreement;

- a \$34.3 million owner's contingency that we may use, subject to the limitations set forth in the disbursement agreement, to cover owner-created delays and owner-originated changes in the scope of the work and other cost overruns; and

- a liquidated damages provision requiring Marnell Corrao to pay us \$300,000 for each day the completion of construction is delayed, following a five-day grace period and subject to force majeure and other permitted extensions, up to a maximum amount of \$9 million.

Despite these protections, design and construction costs may be significantly higher than expected. Furthermore, if we do not complete construction of Le Rêve by the scheduled completion date, which may be extended in accordance with the disbursement agreement, but not beyond September 30, 2005, except for certain limited permitted extensions due to force majeure events, Wynn Las Vegas will be in default under the credit facilities and the second mortgage notes and the holders of the indebtedness will have the right to accelerate the indebtedness and exercise other rights and remedies against our subsidiaries. See "Risk Factors Risks Related to Our Substantial Indebtedness We are highly leveraged and future cash flow may not be sufficient for our subsidiaries to meet their obligations, and we might have difficulty obtaining more financing."

#### **Water Show Entertainment Production Agreement**

We have entered into an agreement with Calitri Services and Licensing Limited Liability Company under which Calitri will create, develop and produce the show to be presented in the Le Rêve showroom. This agreement is in the process of being amended. We expect that the agreement will be amended into two agreements a license agreement between Wynn Las Vegas and Calitri and a production services agreement between Wynn Las Vegas and Productions du Dragon, S.A. Under the latter agreement, Productions du Dragon will be required to employ Franco Dragone as the executive producer and principal creator of the show. The concept of the show, which involves a water-based production in Le Rêve's showroom, has already been approved by Mr. Wynn and is under development and pre-production. Under the license agreement, Wynn Las Vegas will pay Calitri a \$2 million creation fee, \$1 million of which has been paid, and fund parts of the development and production budgets. Wynn Las Vegas will pay the remaining \$1 million of the creation fee after the completion of this offering. In addition, Calitri will receive 10% of the net ticket revenue and 20% of the show's net profits. The show's net profits will include net ticket revenue and revenue from food and beverages sold in or immediately adjacent to the showroom, less the 10% of the net ticket revenue Wynn Las Vegas must pay to Calitri, amortization of construction costs and other operating expenses. Under the production services agreement, when amended, Productions du Dragon will receive an additional 30% of the show's net profits. Under the license agreement, it is further expected that Wynn Las Vegas will have the sole and exclusive right to license and/or manufacture and sell products and souvenirs related to the show. In return for this right, Calitri will receive 10% of the retail selling price, less certain costs, of all retail sales of these products and 50% of the before tax profits, less certain costs, generated by all non-retail sales of these products. However, it is also currently contemplated that, if the production fails to satisfy certain revenue requirements, Wynn Las Vegas will be able to terminate both of the agreements prior to the end of the term. The term of both agreements will be ten years after the opening date of the show, which will coincide with the opening of Le Rêve. In addition, it is contemplated that the production services agreement, as amended, will provide Wynn Las Vegas with an option to

80

---

renew both of the agreements for an additional five-year term. The production services agreement terminates upon termination of the license agreement unless the option for the second production or other project described below is exercised and a separate production services agreement for that second production or other show has not been executed.

We have also paid Calitri \$1 million for an option with respect to a second production for Le Rêve or for another project. We anticipate that Wynn Las Vegas or one of our other subsidiaries will be required to pay an additional \$1 million if we exercise the option. If the option is exercised, the optionee will be obligated to use Productions du Dragon for production services.

Following the completion of this offering, Wynn Resorts plans to grant Mr. Dragone an award of 189,723 shares of restricted stock. This restricted stock award is intended to be part of the compensation paid to Mr. Dragone for his role as the executive producer and principal creator of the production. The restricted stock will vest on June 30, 2006. However, the restricted stock will not vest, but instead will be immediately cancelled and retired, if, as of June 30, 2006: (1) the complete run of the entertainment production at Le Rêve has not commenced or has been cancelled due to any act or omission of Mr. Dragone and (2) Mr. Dragone has not successfully opened another production show for us in another venue or, if opened, the complete run of such other show has been cancelled due to any act or omission of Mr. Dragone. Although the form of the restricted stock grant has not been finalized, management believes that compensation expense, based on the fair value of the stock grant at the measurement date, will be recognized and that such compensation expense will be capitalized as part of the cost of constructing the entertainment production. Because the price of the stock at the measurement date is presently unknown and the form of the agreement has yet to be finalized, management is unable to estimate the amount of compensation expense expected to be associated with the restricted stock grant at this time.

#### **Las Vegas Market**

**Overview.** Las Vegas is one of the fastest growing leisure, lodging and entertainment markets in the country. Las Vegas hotel occupancy rates are among the highest of any major market in the United States. According to the Las Vegas Convention and Visitors Authority, the number of visitors traveling to Las Vegas has continued to increase at a steady and significant rate. The number of visitors increased from approximately 29.6 million in 1996 to approximately 35.0 million in 2001, a compound annual growth rate of 3.4%. Aggregate expenditures by these visitors increased at a compound annual growth rate of 7.0%, from approximately \$22.5 billion in 1996 to approximately \$31.6 billion in 2001. The number of residents in Clark County, the greater Las Vegas area, has increased from 1,115,940 residents in 1996 to 1,425,723

residents in 2000, a compound annual growth rate of 5.0%.

***Expanding Hotel and Gaming Market.*** Las Vegas has one of the strongest and most resilient hotel markets in the country and, according to the American Gaming Association, has the highest casino gaming revenue in the United States. Major properties on the Las Vegas Strip that have opened over the past ten years include Bellagio, Mandalay Bay Resort & Casino, New York-New York Hotel and Casino, Paris Las Vegas, Aladdin Resort & Casino and The Venetian. In addition, a number of existing properties on the Las Vegas Strip embarked on expansions during this period including MGM Grand Hotel and Casino, Luxor Hotel and Casino, Circus Circus Hotel, Casino and Theme Park, Mandalay Bay Resort & Casino and Caesars Palace. Despite this significant increase in the supply of hotel rooms in Las Vegas,

81

---

hotel total occupancy rates for all days exceeded on average 90.6% for the years 1990 to 1999, averaged 92.5% in 2000 and 88.9% in 2001.

According to the Nevada State Gaming Control Board, Las Vegas Strip gaming revenue has increased from approximately \$3.6 billion in 1996 to approximately \$4.7 billion in 2001, a compound annual growth rate of 5.6%. As a result of the increased popularity of gaming, Las Vegas has sought to increase its popularity as an overall vacation resort destination. The number of hotel rooms in Las Vegas has increased by 30.6% from 80,952 in 1996 to 105,702 in 2001.

We believe that the growth in the Las Vegas market has been enhanced as a result of a dedicated program by both the Las Vegas Convention and Visitors Authority and major Las Vegas hotels to promote Las Vegas as a major vacation and convention site and the increased capacity of McCarran International Airport.

***Growth of Non-Gaming Revenue Expenditures.*** The Las Vegas market continues to evolve from its historical gaming focus to broader entertainment and leisure offerings. In addition to the traditional attractiveness of gaming, the market is continuing to expand to include retail, fine dining, sporting activities, major concerts and other forms of entertainment. This diversification has contributed to the growth of the market and broadened the universe of individuals who would consider Las Vegas as a vacation destination. The more diversified entertainment and leisure offerings present significant growth opportunities. In particular, the newer, large theme-destination resorts have been designed to capitalize on this development by providing better quality hotel rooms at higher rates and by providing expanded shopping, dining and entertainment opportunities to their patrons, in addition to gaming.

***Las Vegas as a Convention Center Attraction.*** According to Tradeshow Week 200, an annual publication that analyzes the 200 largest trade shows in the United States, Las Vegas was the most popular trade show destination in the United States with a 28.4% market share of the Tradeshow Week 200 shows in terms of net square footage and one of the most popular convention destinations in the United States in 2001. In 1996, approximately 3.3 million persons attended conventions in Las Vegas, providing approximately \$3.9 billion in non-gaming trade show and convention revenue. By 2001, the number of convention attendees increased to more than 4 million, providing approximately \$4.8 billion in non-gaming and trade show and convention revenue.

Trade shows are held for the purpose of getting sellers and buyers of products or services together in order to conduct business. Trade shows differ from conventions in that trade shows typically require substantial amounts of space for exhibition purposes and participant circulation. Conventions generally are gatherings of companies or groups that require less space for breakout meetings and general meetings of the overall group. Las Vegas offers trade shows and conventions a unique infrastructure for handling the world's largest shows. This includes a concentration of approximately 72,000 hotel rooms located on the Las Vegas Strip, two of the largest convention centers in the United States the Las Vegas Convention Center and the Sands Expo and Convention Center with a total of over 4 million square feet of convention and exhibition space, convenient air service from major cities throughout the United States and other countries and significant entertainment attractions. In addition to the Sands Expo and Convention Center and the Las Vegas Convention Center, the MGM Grand Hotel and Casino has constructed a conference and meeting facility of approximately 380,000 gross square feet. The Mirage has recently added approximately 90,000 gross square feet of meeting space, and Mandalay Bay Resort & Casino has begun construction of an approximately 1.8 million square foot convention center with an estimated completion date in early 2003. We believe that Las Vegas will continue to evolve as one of the country's preferred trade show and convention destinations.

**Statistics on the Las Vegas Gaming Industry.** The following table sets forth certain information derived from published reports of the Las Vegas Convention and Visitors Authority and the Nevada State Gaming Control Board concerning Las Vegas Strip gaming revenue and visitor volume and hotel data for the years 1996 to 2001. As shown in the table, the Las Vegas market has achieved significant growth in visitor volume and tourist revenue.

83

### Historical Data for Las Vegas Gaming Industry(1)

|   | 1996          | 1997          | 1998          | 1999          | 2000          | 2001          | Compound Annual Growth Rate |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| Las Vegas Visitor Volume                    | 29,636,361    | 30,464,635    | 30,605,128    | 33,809,134    | 35,849,691    | 35,017,317    | 3.4%                        |
| Total Visitor Expenditures(2)               | \$ 22,533,258 | \$ 24,952,189 | \$ 24,577,469 | \$ 28,695,178 | \$ 31,462,337 | \$ 31,555,924 | 7.0%                        |
| Las Vegas Strip Gaming Revenue(2)           | \$ 3,579,269  | \$ 3,809,354  | \$ 3,812,408  | \$ 4,490,330  | \$ 4,805,572  | \$ 4,703,692  | 5.6%                        |
| Las Vegas Convention Attendance             | 3,305,507     | 3,519,424     | 3,301,705     | 3,772,726     | 3,853,363     | 4,049,095     | 4.1%                        |
| Las Vegas Hotel Occupancy Rate for All Days | 93.4%         | 90.3%         | 90.3%         | 92.1%         | 92.5%         | 88.9%         | N/A                         |
| Las Vegas Hotel/Motel Room Supply           | 99,072        | 105,347       | 109,365       | 120,294       | 124,270       | 126,610       | 5.0%                        |

(1) Sources: Las Vegas Convention and Visitors Authority and Nevada State Gaming Control Board for the fiscal years ended December 31.

(2) Dollars in thousands.

### Le Rêve Competition

**Hotel/Casino Competition.** The casino/hotel industry is highly competitive. Le Rêve, which will be located on the Las Vegas Strip, will compete with other high-quality resorts and hotel casinos in Las Vegas on the basis of overall atmosphere, range of amenities, level of service, price, location, entertainment offered, theme and size. Le Rêve will compete with hotels on the Las Vegas Strip and those in downtown Las Vegas, as well as a large number of hotels and motels in and near Las Vegas.

In June 2003, The Venetian expects to complete a 1,000-room hotel tower on top of the resort's existing parking garage. Also, Mandalay Bay Resort & Casino has announced that it expects to begin construction of a 1,122-room, all-suite tower connected to the current hotel casino resort in September 2002, with an expected opening in October 2003. MGM Mirage has announced that it will begin construction in mid-2003 of an approximately 925-room "spa tower" addition to Bellagio, as well as expand Bellagio's spa and salon, meeting space and retail space, with an expected completion in December 2004. Other than the expansions of The Venetian, Mandalay Bay Resort & Casino and Bellagio, we are not aware of any significant additions of hotel rooms to major hotel casino resort properties in Las Vegas or any developments of new major hotel casino resort properties in Las Vegas in the near future.

Many competing properties, such as Bellagio, Caesars Palace, Luxor Hotel and Casino, Mandalay Bay Resort & Casino, the MGM Grand Hotel and Casino, The Mirage, Monte Carlo Hotel and Casino, New York-New York Hotel and Casino, Paris Las Vegas, Rio All-Suite Hotel & Casino, Treasure Island at The Mirage and The Venetian, have themes and attractions which draw a significant number of visitors and will

directly compete with our operations. Some of these facilities are operated by companies that have more than one operating facility and may have greater name recognition and financial and marketing resources than us and target the same demographic group as we will. We will seek to differentiate Le R ve from other major Las Vegas resorts by concentrating on our fundamental elements of design, atmosphere, personal service and level of luxury.

Las Vegas casinos also compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, riverboat gaming facilities in other states, hotel/casino facilities elsewhere in the world, state lotteries, Internet gaming and other forms of gaming. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas. Passage of the Tribal Government Gaming and Economic Self-Sufficiency Act in 1988 has led to rapid increases in Native American gaming operations. Also, in March 2000, California voters approved an amendment to the California Constitution allowing federally recognized Native American tribes to conduct and operate slot machines, lottery games and banked and percentage card games on Native American land in California. As a result, casino-style gaming on tribal lands is growing and could become a significant competitive force. The proliferation of Native American gaming in California could have a negative impact on our operations. The proliferation of gaming activities in other areas could significantly harm our business as well. In particular, the legalization of casino gaming in or near metropolitan areas, such as New York, Los Angeles, San Francisco and Boston, from which we intend to attract customers, could have a substantial negative effect on our business. In addition, new or renovated casinos in Macau or elsewhere in Asia could draw Asian gaming customers, including high-rollers, away from Las Vegas. See " The Macau Opportunity Competition within Macau and from Regional Markets."

Our casino will also compete, to some extent, with other forms of gaming on both a local and national level, including state-sponsored lotteries, on- and off-track wagering and card parlors. The expansion of legalized gaming to new jurisdictions throughout the United States will also increase competition we face and will continue to do so in the future. Additionally, if gaming is legalized in jurisdictions near our property or our target markets where it currently is not permitted, we will face additional competition.

**Retail Competition.** Le R ve's retail stores will operate in a highly competitive environment. Le R ve's retail stores will compete with other retail stores located in other Las Vegas hotel casino resorts and shopping districts. Among these Las Vegas shopping locations, Le R ve will face significant competition from the retail stores at Bellagio, the Forum Shops at Caesars Palace, which is expected to complete a 200,000 square foot expansion in 2004, The Grand Canal Shoppes at The Venetian and Desert Passage at Aladdin Resort & Casino. In particular, Le R ve's retail stores will face competition from the premium retail stores of the Fashion Show Mall, which is owned by The Rouse Company, a publicly traded company. The Fashion Show Mall, which is situated across the Las Vegas Strip from Le R ve, is currently undergoing an extensive remodeling and expansion program, reportedly increasing its size from approximately 773,000 square feet to nearly 2 million square feet. Beginning in November 2002, the Fashion Show Mall is expected to contain an approximately 180,000 square foot Nordstrom and a flagship store of Bloomingdale's Home & Furniture. The expansion of the Fashion Show Mall is expected to be completed in October 2003 with a new Lord & Taylor and is expected to include a total of approximately 300 shops. In addition, Le R ve's retail stores will compete with outlet shopping areas located on the way to Las Vegas from Los Angeles and other places, which tend to offer merchandise at discounted prices.

Our retail stores will compete on the basis of, among other things, the location of our stores, the breadth, quality, style, and availability of merchandise, the level of customer service offered and merchandise price. We will also compete with other retail properties for retail businesses on the basis of the rent charged and location.

We believe that our retail operations will generate approximately 5% of our total revenue. However, we will face significant competition in this market area. Any increase in our competitors' market share for retail customers in Las Vegas could negatively impact our operations in a significant manner. See "Risk Factors General Risks Associated with Our

Business The casino, hotel, convention and other facilities at Le R ve will face intense competition."

### Marketing in Las Vegas

Our marketing strategy consists of positioning Le R ve as a full-service luxury resort and casino in the leisure, convention and tour and travel markets. Prior to the opening of Le R ve, we will create general market awareness about Le R ve's product offerings through conventions and media, including television, radio, newspapers, magazines, internet, direct mail and billboards. We also expect that the third party retail tenants will engage in their own general advertising and promotional activity, which we expect will benefit all of Le R ve's retail shops.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

We believe that Le Rêve will attract wealthy international and domestic gaming customers due in part to the high degree of customer recognition and guest loyalty that we believe Mr. Wynn has developed over the last two decades by operating some of the signature properties on the Las Vegas strip. In addition, we currently employ experienced international and domestic casino marketing executives. We believe that Mr. Wynn's reputation will allow us to continue to attract marketing executives of this caliber.

Le Rêve plans to have marketing executives located in local offices in Tokyo, Hong Kong, Macau, Singapore, Taiwan, Europe, New York and southern California, as well as independent marketing representatives in major U.S. and foreign cities. We also plan to develop a guest loyalty program at Le Rêve that will integrate in real-time, all gaming, hotel, food, beverage and retail revenue of a particular guest and compare it against incurred expenses to determine the profitability of that guest. We will use this program to implement a rewards system that offers discounted and complimentary meals, lodging and entertainment for our guests. We will also use that information to develop an integrated database that will allow us to target specific customers for promotions that might induce them to visit Le Rêve.

### The Macau Opportunity

#### Overview and Strategy

Wynn Macau, a Macau company and majority-owned indirect subsidiary of Wynn Resorts, recently entered into a 20-year concession agreement with the government of the Macau Special Administrative Region of the People's Republic of China to construct and operate one or more casino gaming properties in Macau. The Macau peninsula, located in southeast China on the South China Sea, is approximately 37 miles southwest of Hong Kong. Macau has been an established gaming market for at least 40 years and, according to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, Macau's casinos generated approximately US \$2.1 billion in gaming revenue in 2000. Wynn Macau currently is one of three concessionaires permitted to operate a casino gaming business in Macau.

The concession agreement requires Wynn Macau to construct and operate one or more casino gaming properties in Macau, including, at a minimum, one full-service casino resort by the end of December 2006, and invest not less than a total of 4 billion patacas (approximately US \$500 million) in Macau-related projects by June 26, 2009. Wynn Macau will not begin construction or operation of any casino in Macau until a number of objectives and conditions are met, including obtaining sufficient financing. After construction of the first phase of Wynn Macau's first casino resort, Wynn Macau intends to satisfy its remaining financial obligations under the concession agreement through the development of future phased expansions and, possibly, additional casino resorts. If Wynn Macau does not invest 4 billion patacas in casino projects by June 26, 2009, it is obligated to invest the remaining amount in projects related to

86

---

its gaming operations in Macau that the Macau government approves, or in projects of public interest designated by the Macau government. The currency used in the concession agreement is the Macau pataca. We have converted all pataca references into U.S. dollars using an exchange rate of approximately eight Macau patacas to one U.S. dollar (which is the middle of the buy and sell rates on October 22, 2002, as reported by the Monetary Authority of Macau).

We currently contemplate that Wynn Macau will develop, construct and begin operations of its initial casino resort in phases, with the first phase consisting of a casino and several food and beverage outlets. Wynn Macau has not yet determined the cost of construction of the first phase of its first casino resort. If the financing arrangements for the construction of the initial phase of the casino resort are completed and if certain necessary legislative changes have been enacted by the Macau government, we expect that Wynn Macau will begin construction of the first phase of its first casino resort in 2003. Accordingly, Wynn Macau could complete construction of the first phase of the casino resort and begin casino operations as early as 2004. Wynn Macau already begun planning for the development of the initial phase of its first casino resort, including having discussions with construction contractors. The Macau government has granted to Wynn Macau the right to lease a parcel of land for its first permanent casino operations. We believe that this land, located in the outer harbor of downtown Macau opposite the largest, most well-known casino, the Hotel Lisboa, is an attractive location for Wynn Macau's first Macau casino.

The government of Macau is encouraging significant foreign and domestic investment in new and expanded casino entertainment facilities in Macau to enhance its reputation as a casino resort destination, and to attract additional tourists and lengthen stays. We believe that these efforts will provide an opportunity for growth in the Macau gaming and resort market. Gaming customers from Hong Kong, southeast China, Taiwan and other locations in Asia can reach Macau in a relatively short period of time, and visitors from more distant locations in Asia can take advantage of short travel times by air to Macau or to Hong Kong. The relatively easy access from major population centers promotes Macau as a popular gaming destination in Asia. We plan to capitalize on these favorable market trends, utilizing our significant experience in Las Vegas by providing a Steve Wynn-designed property with appropriately high service standards.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

We intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau as part of the financing of the Macau opportunity, in addition to the approximately \$23.8 million we have already invested in Wynn Macau. Wynn Macau has begun preliminary discussions to arrange the additional financing that would be required to complete the initial phase of Wynn Macau's first casino resort. At the present time, Wynn Macau has not yet determined the amount of financing that will be required to complete the initial phase.

Wynn Macau will not begin construction or operation of any casino in Macau if it does not obtain the ability to extend credit to gaming customers and enforce gaming debts in Macau and if it does not obtain relief from the complementary income tax and the withholding tax on dividends imposed in Macau. Based on our discussions with government officials, we believe legislative changes relating to these matters will be introduced by early 2003. However, we cannot assure you that such proposed legislative changes will be enacted.

87

---

### **Ownership Structure of Macau-Related Entities**

The following chart illustrates the organizational structure of Wynn Resorts' Macau-related subsidiaries immediately after the consummation of this offering.

---

\*

Wynn Resorts International, Ltd. holds one share of Wynn Resorts (Macau), Limited as nominee for Wynn Resorts (Macau) Holdings, Ltd.

***Wynn Resorts' Ownership of Macau-Related Entities.*** Wynn Resorts currently owns an approximately 82.5% economic interest in Wynn Macau indirectly through various subsidiaries and effectively controls 90% of the vote of Wynn Macau. In the aggregate, Wynn Resorts has contributed approximately \$23.8 million, including shares of Wynn Macau with an aggregate par value of approximately \$337,500, to the Macau-related entities.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Wynn Resorts owns 100% of Wynn Group Asia, Inc., a Nevada corporation. Wynn Group Asia owns 100% of Wynn Resorts International, Ltd., a Manx company. Wynn Resorts International holds certain shares of Wynn Macau directly, representing approximately 39% of the capital and voting power and approximately 49% of the dividends and other distributions in excess of capital contributed. Wynn Resorts International also owns approximately 33.5% of the capital and dividend participation in and effectively controls approximately 51% of the vote of, Wynn Macau indirectly through its majority-owned subsidiary, Wynn Resorts (Macau) Holdings, Ltd., a Manx company. Wynn Resorts International is also entitled to a liquidation preference in Wynn Resorts (Macau) Holdings that effectively represents an additional 10% interest in the capital of Wynn Macau. Wynn Resorts (Macau) Holdings owns 100% of Wynn Resorts (Macau), Limited, a Hong Kong company. Wynn Resorts (Macau), Limited in turn owns approximately 51% of Wynn Macau.

As part of the financing of the Macau opportunity, we intend to invest up to \$40 million of the net proceeds from this offering in Wynn Macau. The indirect minority investors in Wynn Macau have agreed to participate in this additional investment along with Wynn Resorts to the extent of their proportionate effective interests in Wynn Macau.

**Minority Ownership of the Macau-Related Entities.** Mr. Wong Chi Seng, who is the executive director of Wynn Macau, owns, in the aggregate, approximately 10% of the rights to capital and dividends and effectively controls approximately 10% of the vote of Wynn Macau. Other investors own, indirectly, approximately 7.5% of the rights to dividends and capital of Wynn Macau. The direct and indirect minority interests of Wynn Macau are held at two levels: at the Wynn Resorts (Macau) Holdings level and directly at the Wynn Macau level. Mr. Wong Chi Seng indirectly owns shares representing approximately 11.8% of the voting power and 19.6% of the capital and dividend participation in Wynn Resorts (Macau) Holdings. In exchange for these shares, Mr. Wong contributed to Wynn Resorts (Macau) Holdings approximately \$385,000, including shares of Wynn Macau with an aggregate par value of approximately \$37,500. According to Macau law, the position of executive director and at least 10% of the voting shares and capital of Wynn Macau must be held by a resident of Macau. Mr. Wong, a Macau resident, serves as the executive director of Wynn Macau and purchased his shares in Wynn Macau for an aggregate of approximately \$2.5 million. Mr. Wong's shares have the same voting rights as do the other shares in Wynn Macau, but they are limited in their participation in dividends to up to one pataca per year, in the aggregate, and limited in other distributions to their share of the capital contributed.

Other investors, who are related to each other, collectively contributed cash of approximately \$2.2 million and own shares representing approximately 8.9% of the voting power and 14.7% of capital and dividend participation in Wynn Resorts (Macau) Holdings.

### Macau Market

**Introduction.** The Macau Special Administrative Region of the People's Republic of China is located in the southern part of Guangdong Province. Macau consists of the Macau peninsula and the islands of Taipa and Coloane, which are connected to the peninsula by bridges, and totals approximately 9 square miles in size. Macau is approximately 37 miles southwest of Hong Kong and immediately adjacent to the Zhuhai Special Economic Zone, from which Macau is visible and easily accessible. The CIA World Factbook estimates that Macau's population in 2001 was approximately 454,000.

Macau was a colony of Portugal for approximately 450 years. In December 1999, Portugal transferred administration of Macau to China, which re-established the territory as a special administrative region. Macau has been a gaming destination for at least 40 years.

***Popular regional gaming destination.*** According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, over 10 million people visited Macau in 2001, increasing from approximately 7.4 million in 1999. According to the U.S. & Foreign Commercial Service American Consulate General, Hong Kong, in 2000, casinos in Macau generated approximately US \$2.1 billion in gaming revenue. Macau casinos are primarily table game-oriented and include many private VIP rooms, but contain relatively few slot machines.

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

Macau's gaming market is primarily dependent on tourists. According to Macau Statistics and Census Service Monthly Bulletin of Statistics, from 1999 through 2001 less than one-third of visitors traveling to Macau stayed overnight in hotels and guestrooms and, for those who stayed overnight in hotels and guestrooms, the average length of stay was only one to two nights.

The following table contains statistics relating to the visitation of Macau by tourists:

**Macau Annual Tourism Statistical Overview**

|                  | 1999      | 2000      | 2001       | Compound<br>Annual Growth<br>Rate 1999-2001 |
|------------------|-----------|-----------|------------|---|
| Visitor Arrivals | 7,443,924 | 9,162,212 | 10,278,973 | 17.5%                                       |
| Overnight Guests | 2,253,445 | 2,689,843 | 2,766,853  | 10.8%                                       |

Source: Macau Statistics and Census Service Monthly Bulletin of Statistics

***Proximity to, and ease of access from, major Asian capitals.*** Gaming customers traveling to Macau typically come from nearby countries in Asia such as Hong Kong, mainland China, Taiwan, South Korea and Japan. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics Public Security Police, 90% of the tourists who visited Macau in 2001 came from Hong Kong, mainland China or Taiwan, with over 50% coming from Hong Kong.

The Macau pataca and the Hong Kong dollar are linked to each other and, in many cases, are used interchangeably in Macau. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Inflation and Foreign Currency Risk." However, currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of Wynn Macau. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the currency of China. Restrictions on the export of the renminbi may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact Wynn Macau's gaming operations.

Gaming customers from Hong Kong, southeast China, Taiwan and other locations in Asia can reach Macau in a relatively short period of time, using a variety of methods of transportation, and visitors from more distant locations in Asia can take advantage of short travel times by air to Macau or to Hong Kong (followed by a short water ferry or helicopter trip to Macau). The relatively easy access from major population centers promotes Macau as a popular gaming destination in Asia.

Macau draws a significant number of gaming customers from both visitors and residents of Hong Kong. One of the major methods of transportation to Macau from Hong Kong is the hydrofoil ferry service. The hydrofoil ferry offers service up to four times per hour, with trips to and from Macau in duration of approximately 55 to 75 minutes. Macau is also accessible from Hong Kong by helicopter in approximately 20 minutes.

The economy of Macau relies heavily on the economy of Hong Kong because the majority of the visitors who travel to Macau are from Hong Kong. As a result, economic slowdowns in Hong Kong affect the number of visitors who travel to Macau and the profitability of Macau businesses that rely on tourism.

Macau completed construction of an international airport in 1995 that provides direct air service to many major cities in Asia such as Manila, Singapore, Taipei, Bangkok, Beijing and Shanghai. The Macau International Airport can accommodate large commercial airliners and directly serves at least 20 cities, including at least 12 in China, with links to numerous other major Asian destinations.

***Potential for growth of Macau gaming market.*** We believe that the following factors will play a positive role in Macau's status as a gaming and resort destination:

the proximity to, and ease of access from, Hong Kong, China and Taiwan and other Asian regional markets, including Indonesia, Thailand and Japan, where casinos currently are banned;

significant foreign and domestic investment in new and expanded casino and entertainment facilities in Macau that are intended to promote Macau as a casino resort destination, enhance tourism and lengthen stays, such as: the reported development of an entertainment complex that will include gaming amenities in the Fisherman's Wharf area of Macau planned by Sociedade de Jogos de Macau through a related entity; the casino resort on Taipa reportedly planned by Galaxy Casino, Ltd., an affiliate of Venetian Resorts; and Wynn Macau's proposed casino resort; and

the development of Hong Kong Disneyland (scheduled to open in 2005) on Lantau Island near Macau.

### **Competition within Macau and from Regional Markets**

**Local Competition.** In the past, gaming in Macau had been administered as a government-sanctioned monopoly concession awarded to a single concessionaire. However, under the authority of the Chief Executive and the Casino Tender Commission of Macau, the government of Macau has recently liberalized the gaming industry by granting concessions to operate casinos to three concessionaires. Sociedade de Jogos de Macau, referred to as SJM, has been granted one of the concessions. SJM is controlled by Stanley Ho, who through another entity had controlled the monopoly concession to conduct gaming operations in Macau for approximately 40 years. Galaxy Casino Company Limited, referred to as Galaxy, also has been awarded a concession to operate casinos in Macau. Galaxy is a joint venture between an affiliate of the operators of The Venetian in Las Vegas and a group of Hong Kong investors headed by Lui Chi-woo. Wynn Macau was awarded the third concession. Wynn Macau's gaming business would compete with businesses to be operated by the two other casino concessionaires in Macau. In addition, the concession agreement into which Wynn Macau has entered with the Macau government permits the government to grant additional concessions for the operation of casinos after April 1, 2009. If the government of Macau awards additional concessions, Wynn Macau will face increased competition from local casino operators in Macau.

SJM has the benefit of being the established gaming enterprise already in existence at eleven locations in Macau. Most of these eleven casinos are relatively small facilities which are offered as amenities in hotels, however a few are substantial operations enjoying recognition by gaming customers. Three of the largest hotels with casinos in Macau are The Hotel Lisboa, Mandarin Oriental and the Hyatt Regency. Seven of the eleven casinos in Macau

are located in hotels. In addition, an affiliate of Mr. Ho owns substantially all of the water ferry services and the helicopter shuttle service that link Macau to Hong Kong and Kowloon.

Wynn Macau will face increased competition if SJM or Galaxy constructs new, or renovates pre-existing, casinos in Macau. SJM is reported to be planning a major remodeling of the Hotel Lisboa and a new Fisherman's Wharf entertainment complex, which will include gaming amenities, in the area of the Macau ferry terminal. SJM is obligated to invest at least approximately 4.7 billion patacas (approximately US \$588 million) by December 2004 under its concession agreement with the government of Macau. Additionally, according to news reports, Galaxy intends to build a major casino resort on Taipa, the island where Macau's international airport is located, and possibly other casinos. Galaxy is obligated to invest at least 8.8 billion patacas (approximately US \$1.1 billion) by June 2012 under its concession agreement with the government of Macau.

**Regional Competition.** Wynn Macau will face competition from casinos located in other areas of Asia, such as the major gaming and resort destination, Genting Highlands Resort, located outside of Kuala Lumpur, Malaysia and casinos in South Korea and The Philippines, as well as pachinko and pachislot parlors in Japan. Wynn Macau also will encounter competition from other major gaming centers located around the world, such as Australia and Las Vegas, cruise ships in Asia that offer gaming, and illegal casinos throughout Asia. Further, if current efforts to legalize gaming in Penghu, Taiwan are successful or if the reported large-scale new casino entertainment complex proposed in Manila, Philippines is developed, Wynn Macau will face additional regional competition.

### **Seasonality**

We do not consider our Las Vegas business to be particularly seasonal. However, we expect that our revenue and cash flow may be slightly reduced during the summer months due to the tendency of Las Vegas room rates to be lower at that time of the year.

### **Employees**

## Edgar Filing: WYNN RESORTS LTD - Form S-1/A

We currently employ approximately 200 employees in the U.S. We anticipate that when Le Rêve opens, we will employ nearly 8,000 employees in connection with the operation of Le Rêve. As a result, we will need to undertake a major recruiting and training program before the opening. However, we believe that we will be able to attract and retain a sufficient number of qualified individuals to operate the hotel and casino. We will pay competitive market wages to our employees.

Currently, Valvino is a party to several collective bargaining agreements with several different unions which it assumed in connection with the acquisition of the Desert Inn Resort & Casino. All of these agreements will expire before the scheduled opening of Le Rêve. However, the unions may seek to organize the workers at Le Rêve or claim that the agreements assumed in connection with Valvino's acquisition of the Desert Inn Resort & Casino obligate Wynn Las Vegas to enter into negotiations with one or more of the unions to represent the workers at Le Rêve. Unionization or pressure to unionize could increase our labor costs.

### Trademarks and Service Marks

Our most important marks are LE RÊVE for hotel services and LE RÊVE for casino services. We have purchased the common-law name and mark "LE RÊVE" from a California trust operating a hotel by that name. This purchase removed the California trust as a prior user with superior rights. We have also applied to register the "LE RÊVE" service mark in the

93

---

United States Patent and Trademark Office, referred to as the PTO, for hotel services. Our application for the LE RÊVE hotel mark has cleared the PTO examination process. It was "published for opposition." On August 16, 2002, a request for extension of time to oppose was filed with the PTO. If granted, the initial request for extension of time to oppose expires on October 15, 2002. The potential opposer is entitled to file an additional request for extension of time to oppose for an additional 30 days. Further extensions of time to oppose are allowed only with our consent. If no opposition is filed, or if an opposition is filed, but is settled or the potential opposer does not prevail, LE RÊVE will be registered for hotel services, and restaurant, bar, lounge and health spa services.

We have also applied to register the "LE RÊVE" service mark with the PTO for combined casino and entertainment services. Because the PTO translates "LE RÊVE" as "THE DREAM", it has cited certain "DREAM" marks as a basis for preliminarily refusing to allow some of our "LE RÊVE" applications, including this application, to proceed toward registration. The PTO's objection to this application appears to relate solely to entertainment services, and not casino services. Accordingly, we have divided the application to register LE RÊVE for casino services from entertainment services and, therefore, the application for casino services should not be subject to the objections to entertainment services.

In addition, we have applied to register this mark for other uses, including gift shop items, retail services, clothing, golf balls and golf accessories, toys, tote bags, mugs, and others, none of which, individually, will be material to our business. Our application for Le Rêve retail services was preliminarily refused based on a prior registration of Le Reve in connection with wines. Each of these applications is pending. None of the non-hotel and non-casino applications for LE RÊVE are for goods or services that would, if finally rejected, have a material impact on our business.

Even if we are able to obtain registration of the LE RÊVE mark for the above-described applications, such federal registration is not completely dispositive of the right to such trademarks. Third parties who claim prior rights with respect to DREAM marks or to marks similar to LE RÊVE may nonetheless challenge our use of LE RÊVE and seek to overcome the presumptions afforded by such registrations. They also could attempt to prevent our use of LE RÊVE and/or seek monetary damages as a result of our use.

### Properties

**Las Vegas Land.** We currently own approximately 212 acres of land on or near the Las Vegas Strip on the site of the former Desert Inn Resort & Casino. Le Rêve will total approximately 192 acres consisting of approximately 55 acres, owned by Wynn Las Vegas, at the northeast corner of the intersection of Las Vegas Boulevard and Sands Avenue and the approximately 137-acre golf course, owned by Wynn Resorts Holdings, to be constructed behind the hotel. The balance of the 212 acres consists of an additional parcel of approximately 20 acres fronting Las Vegas Boulevard next to the Le Rêve site, owned by Valvino, that is available for future development once this parcel is released from the liens under the credit facilities and the second mortgage notes.

**Las Vegas Water Rights.** Valvino indirectly owns approximately 949 acre-feet of certificated water rights through its indirect subsidiary, Desert Inn Improvement Co. We plan to use this water for general irrigation purposes including irrigation of the golf course. Desert Inn Improvement Co. also currently provides water service to the existing office building on the site of the former Desert Inn Resort & Casino and the remaining homes around the golf course. As a result of its service obligations to the remaining homes, Desert Inn Improvement Co. is a public utility under Nevada law and is subject to regulatory restrictions imposed by

the Public Utilities Commission of Nevada. See "Risk Factors General Risks Associated with Our Business We will be subject to regulatory control by the Public Utilities Commission of Nevada." Desert Inn Improvement Co. does not use these water rights to provide water to its public utility customers.

Valvino directly owns an additional approximately 36 acre-feet of certificated water rights. This water will be used to supply the water for the Le Rêve lake, subject to the approval of the Nevada State Engineer. There are significant cost savings and conservation benefits associated with using water supplied pursuant to our water rights.

**Macau Lease.** The Macau Special Administrative Region owns most of the land in Macau and, in most cases, private interests in real property located in Macau are obtained only through leases and other grants of rights to use land from the government. The government of Macau has granted to Wynn Macau the right to lease a parcel of land of approximately 14 acres located in the outer harbor of downtown Macau opposite the Hotel Lisboa on which Wynn Macau intends to construct and operate its initial casino resort. If Wynn Macau ultimately signs a land concession agreement exercising its leasing right, the amount of the rent and other terms and conditions of the land concession will be fixed in that agreement. The term of the land concession would be 25 years, commencing on the date it is published in the Macau Official Gazette, and may be renewed at the option of Wynn Macau for successive periods terminating no later than December 19, 2049. In exchange, Wynn Macau would be obligated to pay a premium of approximately 318 million patacas (approximately US \$40 million). In addition, once the land concession agreement is entered into, Wynn Macau would become obligated to pay an entity affiliated with Stanley Ho, approximately 160 million patacas (approximately US \$20 million) for relinquishing its rights to use a portion of that site. Wynn Macau would be able to credit both this land concession premium and the payment to the former concessionaire toward its 4 billion pataca required investment in Macau.

## Legal Proceedings

From time to time, we are involved in litigation relating to claims arising out of the ordinary course of business.

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

On October 31, 2000, Ms. Stephanie Swain, as trustee of the Mark Swain Revocable Trust, and some of the other homeowners whose lots Valvino did not purchase filed an action in Clark County District Court against Valvino and the then directors of the Desert Inn Country Club Estates Homeowners' Association. The plaintiffs are seeking various forms of declaratory relief concerning the continued governance of the homeowners' association. In addition, the plaintiffs have challenged the termination in June 2001 of the conditions, covenants and restrictions recorded against the residential lots. The plaintiffs also seek to establish certain

easement rights that Ms. Swain and the other homeowners claim to possess. Specifically, the remaining homeowners seek to establish easement rights to enter upon the golf course for exercise and other leisure purposes, and to use the perimeter roadways for entrance and exit purposes. At least two of the plaintiffs also have alleged the existence of an equitable implied restriction prohibiting any alternative commercial development of the golf course. Two subsequent actions were filed, one by Ms. Swain against certain homeowners' association members and one by Valvino seeking declaratory and injunctive relief similar to the original action. Because the issues in the subsequent actions are present in the original action, both of the subsequent actions have been stayed pending the outcome of the original action.

The trial in this matter currently is scheduled for February 2003. The court has, nonetheless, entered several preliminary injunction orders concerning the parties' respective property rights. Among other things, the court has ordered that Valvino is free to develop the golf course and the remainder of its property as it deems fit, subject to all applicable legal restraints. In that regard, Valvino was permitted to remove all homes and structures on its properties surrounding the golf course and those located on the Country Club Lane cul de sac, which ran to the interior of the golf course. Valvino has removed all structures that were on its lots, together with the cul-de-sac, and has relandscaped the property to blend into the existing golf course. The court has also entered an order prohibiting Ms. Swain from filing a lis pendens against the golf course

property. A lis pendens is a notice filed on public records to warn all persons that the title to certain property is in litigation and that the effect of such litigation will be binding on the owner of the property.

The plaintiffs have sought, and successfully obtained, a preliminary injunction to compel Valvino to subsidize security to homeowners who reside near the project. Valvino has appealed this ruling and the issue is now pending before the Nevada Supreme Court.

Discovery in this case is currently ongoing. Valvino is vigorously contesting all of the homeowners' claims and will continue to do so. However, if the plaintiffs prevail on their claims and the conditions, covenants and restrictions on the lots remain in effect, we may have to adjust our current plans for the construction of the Le Rêve golf course by redesigning some of the holes located on the periphery of the course. In addition, if the court finds that there is an implied equitable restriction on the golf course lots, any future development of the golf course parcel for an alternative use may be restricted.

## **CONSTRUCTION CONTRACTS FOR LE RÊVE**

The following discussion summarizes the material terms of our construction contracts. These summaries are qualified in their entirety by reference to the contracts themselves.

### **Construction of the Hotel/Casino**

#### **Overview**

We have entered into a construction agreement with Marnell Corrao, the contractor, for construction services for a substantial portion of the construction, but not design, of Le Rêve, excluding the principal parking garage and the golf course construction, for a guaranteed maximum price. The guara