LAS VEGAS SANDS CORP
Form 10-Q
May 10, 2012
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UNITED STATES

SECURITIES & EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2012

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-32373

LAS VEGAS SANDS CORP.

(Exact name of registration as specified in its charter)

Nevada **(State or other jurisdiction of** **incorporation or organization)**	**27-0099920** **(I.R.S. Employer** **Identification No.)**
3355 Las Vegas Boulevard South **Las Vegas, Nevada** **(Address of principal executive offices)**	**89109** **(Zip Code)**

(702) 414-1000

(Registrant s telephone number, including area code)

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

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

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

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a smaller reporting company)

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

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

Class	**Outstanding at April 30, 2012**
Common Stock ($0.001 par value)	822,739,856 shares

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

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ITEM 1 ***FINANCIAL STATEMENTS***

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	March 31, 2012	December 31, 2011
	(In thousands, except share and per share data)	
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,056,360	$ 3,902,718
Restricted cash and cash equivalents	4,874	4,828
Accounts receivable, net	1,530,340	1,336,817
Inventories	40,014	34,990
Deferred income taxes, net	15,066	72,192
Prepaid expenses and other	76,085	45,607
Total current assets	5,722,739	5,397,152
Property and equipment, net	15,329,602	15,030,979
Deferred financing costs, net	163,219	173,636
Restricted cash and cash equivalents	2,466	2,315
Deferred income taxes, net	18,889	153
Leasehold interests in land, net	1,414,349	1,390,468
Intangible assets, net	78,017	80,068
Other assets, net	141,751	169,352
Total assets	$ 22,871,032	$ 22,244,123
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 105,205	$ 104,113
Construction payables	311,568	359,909
Accrued interest payable	6,937	31,668
Other accrued liabilities	1,422,931	1,439,110
Income taxes payable	176,853	108,060
Current maturities of long-term debt	469,324	455,846
Total current liabilities	2,492,818	2,498,706
Other long-term liabilities	105,039	89,445
Deferred income taxes	159,427	205,438
Deferred proceeds from sale of The Shoppes at The Palazzo	267,228	266,992
Deferred gain on sale of The Grand Canal Shoppes	46,478	47,344
Deferred rent from mall transactions	119,545	119,915
Long-term debt	9,382,649	9,577,131
Total liabilities	12,573,184	12,804,971
Commitments and contingencies (Note 9)		
Equity:		
Common stock, $0.001 par value, 1,000,000,000 shares authorized, 822,724,993 and 733,249,698 shares issued and outstanding	823	733

Capital in excess of par value	6,174,773	5,610,160
Accumulated other comprehensive income	191,935	94,104
Retained earnings	2,438,945	2,145,692
Total Las Vegas Sands Corp. stockholders equity	8,806,476	7,850,689
Noncontrolling interests	1,491,372	1,588,463
Total equity	10,297,848	9,439,152
Total liabilities and equity	$ 22,871,032	$ 22,244,123

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	(In thousands, except share and per share data) (Unaudited)	
Revenues:		
Casino	$ 2,266,493	$ 1,664,489
Rooms	267,727	231,974
Food and beverage	153,455	145,393
Mall	71,418	55,865
Convention, retail and other	129,717	108,790
	2,888,810	2,206,511
Less-promotional allowances	(126,068)	(94,592)
Net revenues	2,762,742	2,111,919
Operating expenses:		
Casino	1,207,551	921,536
Rooms	52,786	48,453
Food and beverage	78,301	71,703
Mall	16,301	12,104
Convention, retail and other	79,524	75,141
Provision for doubtful accounts	52,218	35,058
General and administrative	218,717	210,485
Corporate	48,955	37,576
Pre-opening	51,459	9,471
Development	1,198	573
Depreciation and amortization	194,747	190,237
Amortization of leasehold interests in land	9,945	13,156
Impairment loss	42,893	
Loss on disposal of assets	593	499
	2,055,188	1,625,992
Operating income	707,554	485,927
Other income (expense):		
Interest income	5,648	2,047
Interest expense, net of amounts capitalized	(64,672)	(73,585)
Other expense	(3,419)	(4,675)
Loss on early retirement of debt	(2,831)	
Income before income taxes	642,280	409,714
Income tax expense	(63,171)	(45,211)
Net income	579,109	364,503
Net income attributable to noncontrolling interests	(80,167)	(75,180)
Net income attributable to Las Vegas Sands Corp.	498,942	289,323

Preferred stock dividends				(19,598)
Accretion to redemption value of preferred stock issued to Principal Stockholder s family				(23,136)
Preferred stock inducement and repurchase premiums				(18,433)
Net income attributable to common stockholders	$	498,942	$	228,156
Earnings per share:				
Basic	$	0.66	$	0.32
Diluted	$	0.61	$	0.28
Weighted average shares outstanding:				
Basic		760,437,437		723,389,226
Diluted		818,797,155		811,239,242
Dividends declared per common share	$	0.25	$	

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	(In thousands) (Unaudited)	
Net income	$ 579,109	$ 364,503
Currency translation adjustment	98,878	31,956
Total comprehensive income	677,987	396,459
Comprehensive income attributable to noncontrolling interests	(81,214)	(72,643)
Comprehensive income attributable to Las Vegas Sands Corp.	$ 596,773	$ 323,816

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Equity

	Las Vegas Sands Corp. Stockholders Equity						
	Preferred Stock	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Income	Retained Earnings	Noncontrolling Interests	Total
				(In thousands) (Unaudited)			
Balance at January 1, 2011	$ 207,356	$ 708	$ 5,444,705	$ 129,519	$ 880,703	$ 1,268,197	$ 7,931,188
Net income					289,323	75,180	364,503
Currency translation adjustment				34,493		(2,537)	31,956
Exercise of stock options		1	8,419			91	8,511
Tax shortfall from stock-based compensation			(11)				(11)
Stock-based compensation			20,084			755	20,839
Exercise of warrants	(65,225)	20	70,965				5,760
Repurchase of preferred stock	(2,312)				(2,232)		(4,544)
Dividends declared, net of amounts previously accrued					(12,744)		(12,744)
Accumulated but undeclared dividend requirement on preferred stock issued to Principal Stockholder s family					(6,854)		(6,854)
Accretion to redemption value of preferred stock issued to Principal Stockholder s family					(23,136)		(23,136)
Preferred stock inducement premium					(16,201)		(16,201)
Balance at March 31, 2011	$ 139,819	$ 729	$ 5,544,162	$ 164,012	$ 1,108,859	$ 1,341,686	$ 8,299,267
Balance at January 1, 2012	$	$ 733	$ 5,610,160	$ 94,104	$ 2,145,692	$ 1,588,463	$ 9,439,152
Net income					498,942	80,167	579,109
Currency translation adjustment				97,831		1,047	98,878
Exercise of stock options		1	20,151			1,107	21,259
Stock-based compensation			18,383			1,001	19,384
Issuance of restricted stock		1	(1)				
Exercise of warrants		88	526,080				526,168
Dividends declared					(205,689)	(178,218)	(383,907)
Distributions to noncontrolling interests						(2,195)	(2,195)
Balance at March 31, 2012	$	$ 823	$ 6,174,773	$ 191,935	$ 2,438,945	$ 1,491,372	$ 10,297,848

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	(In thousands) (Unaudited)	
Cash flow from operating activities:		
Net income	$ 579,109	$ 364,503
Adjustments to reconcile net income to net cash generated from operating activities:		
Depreciation and amortization	194,747	190,237
Amortization of leasehold interests in land	9,945	13,156
Amortization of deferred financing costs and original issue discount	11,596	11,871
Amortization of deferred gain and rent	(1,236)	(1,290)
Non-cash change in deferred proceeds from sale of The Shoppes at The Palazzo	428	
Loss on early retirement of debt	815	
Impairment and loss on disposal of assets	43,486	499
Stock-based compensation expense	19,166	20,239
Provision for doubtful accounts	52,218	35,058
Foreign exchange losses	724	2,462
Deferred income taxes	(4,083)	35,372
Changes in operating assets and liabilities:		
Accounts receivable	(223,358)	(119,311)
Inventories	(4,742)	(1,239)
Prepaid expenses and other	(27,785)	(3,135)
Accounts payable	356	(26,026)
Accrued interest payable	(24,903)	(19,148)
Income taxes payable	63,134	8,631
Other accrued liabilities	(22,166)	(93,501)
Net cash generated from operating activities	667,451	418,378
Cash flows from investing activities:		
Change in restricted cash and cash equivalents	(195)	149,962
Capital expenditures	(398,260)	(332,508)
Proceeds from disposal of property and equipment	761	3,097
Acquisition of intangible assets		(329)
Net cash used in investing activities	(397,694)	(179,778)
Cash flows from financing activities:		
Proceeds from exercise of stock options	21,259	8,511
Proceeds from exercise of warrants	526,168	5,760
Dividends paid	(383,463)	(19,598)
Distributions to noncontrolling interests	(2,195)	
Repayments on long-term debt (Note 3)	(306,231)	(121,721)
Repurchase of preferred stock		(4,544)
Payments of preferred stock inducement premium		(16,201)
Payments of deferred financing costs	(114)	
Net cash used in financing activities	(144,576)	(147,793)
Effect of exchange rate on cash	28,461	6,053

Increase in cash and cash equivalents	153,642	96,860
Cash and cash equivalents at beginning of period	3,902,718	3,037,081
Cash and cash equivalents at end of period	$ 4,056,360	$ 3,133,941
Supplemental disclosure of cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 77,786	$ 80,881
Cash payments for taxes, net of refunds	$ 1,955	$ (5,726)
Changes in construction payables	$ (48,341)	$ (38,992)
Non-cash investing and financing activities:		
Capitalized stock-based compensation costs	$ 218	$ 600
Changes in dividends payable on unvested restricted stock and stock units included in other accrued liabilities	$ 444	$
Property and equipment acquired under capital lease	$ 340	$
Accumulated but undeclared dividend requirement on preferred stock issued to Principal Stockholder s family	$	$ 6,854
Accretion to redemption value of preferred stock issued to Principal Stockholder s family	$	$ 23,136
Warrants exercised and settled through tendering of preferred stock	$	$ 65,225

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1 ORGANIZATION AND BUSINESS OF COMPANY

The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K of Las Vegas Sands Corp. (LVSC), a Nevada corporation, and its subsidiaries (collectively the Company) for the year ended December 31, 2011. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP). In the opinion of management, all adjustments and normal recurring accruals considered necessary for a fair statement of the results for the interim period have been included. The interim results reflected in the unaudited condensed consolidated financial statements are not necessarily indicative of expected results for the full year. The Company s common stock is traded on the New York Stock Exchange under the symbol LVS.

In November 2009, the Company s subsidiary, Sands China Ltd. (SCL, the indirect owner and operator of the majority of the Company s operations in the Macao Special Administrative Region (Macao) of the People s Republic of China), completed an initial public offering by listing its ordinary shares (the SCL Offering) on The Main Board of The Stock Exchange of Hong Kong Limited (SEHK). Immediately following the SCL Offering and several transactions consummated in connection with such offering, the Company owned 70.3% of the issued and outstanding ordinary shares of SCL. The shares of SCL were not, and will not, be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the U.S. absent a registration under the Securities Act of 1933, as amended, or an applicable exception from such registration requirements.

Operations

Macao

The Company currently owns 70.3% of SCL, which includes the operations of The Venetian Macao, Four Seasons Macao, Sands Macao, Sands Cotai Central and other ancillary operations that support these properties, as further discussed below. The Company operates the gaming areas within these properties pursuant to a 20-year gaming subconcession.

The Company owns and operates The Venetian Macao Resort Hotel (The Venetian Macao), which anchors the Cotai Strip, the Company s master-planned development of integrated resort properties on an area of approximately 200 acres in Macao (consisting of parcels referred to as 1, 2, 3, 5 and 6 and 7 and 8). The Venetian Macao (located on parcel 1) includes a 39-floor luxury hotel with over 2,900 suites; approximately 534,000 square feet of gaming space; a 15,000-seat arena; an 1,800-seat theater; retail and dining space of approximately 1.0 million square feet; and a convention center and meeting room complex of approximately 1.2 million square feet.

The Company owns the Four Seasons Hotel Macao, Cotai Strip (the Four Seasons Hotel Macao), which features 360 rooms and suites managed and operated by Four Seasons Hotels Inc. and is located adjacent and connected to The Venetian Macao. Connected to the Four Seasons Hotel Macao, the Company owns and operates the Plaza Casino (together with the Four Seasons Hotel Macao and located on parcel 2, the Four Seasons Macao), which features approximately 91,000 square feet of gaming space; 19 Paiza mansions; retail space of approximately 211,000 square feet, which is connected to the mall at The Venetian Macao; several food and beverage offerings; and conference, banquet and other facilities. This integrated resort will also feature the Four Seasons Apartment Hotel Macao, Cotai Strip (the Four Seasons Apartments), an apart-hotel tower that consists of approximately 1.0 million square feet of Four Seasons-serviced and -branded luxury apart-hotel units and common areas. The Company has completed the structural work of the tower and expects to monetize units within the Four Seasons Apartments after the necessary government approvals are obtained and future demand warrants it.

The Company owns and operates the Sands Macao, the first Las Vegas-style casino in Macao. The Sands Macao offers approximately 197,000 square feet of gaming space and a 289-suite hotel tower, as well as several restaurants, VIP facilities, a theater and other high-end services and amenities.

In April 2012, the Company opened phase I of its Sands Cotai Central integrated resort, which is located on parcels 5 and 6 and is situated across the street from The Venetian Macao and Four Seasons Macao. Phase I consists of a hotel tower on parcel 5, which includes approximately 600 five-star rooms and suites under the Conrad brand and approximately 1,200 four-star rooms and suites under the Holiday Inn brand. Phase I also includes completion of the structural work of an adjacent hotel tower, located on parcel 6, to be managed by Sheraton International Inc. and

Sheraton Overseas Management Co. (collectively Starwood) under the Sheraton Towers brand; a variety of retail offerings; more than 300,000 square feet of meeting space; several food and beverage establishments: along with the 106,000-square-foot casino and VIP gaming areas. Phase IIA, which is currently scheduled to open in the third quarter of 2012, includes the opening of the first hotel tower on parcel 6, which will feature nearly 2,000 Sheraton-branded rooms, along with the second casino and the remaining retail, entertainment, dining and meeting facilities. Phase IIB, which is projected to open in the first quarter of 2013, consists of the second hotel tower on parcel 6 and will feature an additional 2,000 rooms and suites under the Sheraton Towers brand. Upon completion of phases I and II of the project, the integrated resort will feature approximately 5,800 hotel rooms, approximately 300,000 square feet of gaming space, approximately 1.2 million square feet of retail, entertainment, dining and

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

exhibition and conference facilities, and a multipurpose theater. The total cost to complete phases I and II is expected to be approximately $1.2 billion. Phase III of the project is expected to include a fourth hotel and mixed-use tower, located on parcel 5, to be managed by Starwood under the St. Regis brand and the total cost to complete is expected to be approximately $450 million. The Company intends to commence construction of phase III of the project as demand and market conditions warrant it. As of March 31, 2012, the Company has capitalized costs of $3.32 billion for the entire project, including the land premium (net of amortization) and $213.6 million in outstanding construction payables.

Singapore

The Company owns and operates the Marina Bay Sands in Singapore, which features three 55-story hotel towers (totaling approximately 2,600 rooms and suites), the Sands SkyPark (which sits atop the hotel towers and features an infinity swimming pool and several dining options), approximately 160,000 square feet of gaming space, an enclosed retail, dining and entertainment complex of approximately 800,000 net leasable square feet, a convention center and meeting room complex of approximately 1.2 million square feet, theaters and a landmark iconic structure at the bay-front promenade that contains an art/science museum.

United States

Las Vegas

The Company owns and operates The Venetian Resort Hotel Casino (The Venetian Las Vegas), a Renaissance Venice-themed resort; The Palazzo Resort Hotel Casino (The Palazzo), a resort featuring modern European ambience and design; and an expo and convention center of approximately 1.2 million square feet (the Sands Expo Center). These Las Vegas properties, situated on or near the Las Vegas Strip, form an integrated resort with approximately 7,100 suites; approximately 225,000 square feet of gaming space; a meeting and conference facility of approximately 1.1 million square feet; entertainment facilities; and enclosed retail, dining and entertainment complexes located within The Venetian Las Vegas (The Grand Canal Shoppes), and The Palazzo (The Shoppes at The Palazzo), both of which were sold to GGP Limited Partnership (GGP). See Note 2 Property and Equipment, Net regarding the sale of The Shoppes at The Palazzo.

Pennsylvania

The Company owns and operates the Sands Casino Resort Bethlehem (the Sands Bethlehem), a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania. Sands Bethlehem currently features approximately 152,000 square feet of gaming space; a 300-room hotel tower, which opened in May 2011; a 150,000-square-foot retail facility, with a progressive opening that began in November 2011; an arts and cultural center; and is the broadcast home of the local PBS affiliate. The Company has recommenced construction on the remaining component of the integrated resort, a 50,000-square-foot multipurpose event center (expected to open in the second quarter of 2012). Sands Bethlehem is also expected to be home to the National Museum of Industrial History. The Company owns 86% of the economic interest in the gaming, hotel and entertainment portion of the property through its ownership interest in Sands Bethworks Gaming LLC and more than 35% of the economic interest in the retail portion of the property through its ownership interest in Sands Bethworks Retail LLC.

Development Projects

The Company has suspended portions of its development projects and should general economic conditions fail to improve, if the Company is unable to obtain sufficient funding or applicable government approvals such that completion of its suspended projects is not probable, or should management decide to abandon certain projects, all or a portion of the Company s investment to date on its suspended projects could be lost and would result in an impairment charge.

Macao

The Company submitted plans to the Macao government for its other Cotai Strip developments, which represent two integrated resort developments (referred to as parcels 3 and 7 and 8). Subject to the approval from the Macao government, as discussed further below, the developments are expected to include hotels, exhibition and conference facilities, gaming areas, showrooms, spas, dining, retail and entertainment facilities, and other amenities. The Company had commenced pre-construction activities on these developments and plans to operate the related gaming areas under the Company s Macao gaming subconcession. In addition, the Company is completing the development of some public areas surrounding its Cotai Strip properties on behalf of the Macao government. The Company currently intends to develop its other Cotai Strip properties as follows:

Parcel 3 Once completed, the integrated resort on parcel 3 will be connected to The Venetian Macao and Four Seasons Macao. The multi-hotel complex is intended to include a gaming area, a shopping mall and serviced luxury apart-hotel units. The Company had commenced pre-construction activities and has capitalized costs of $96.7 million, including the land premium (net of amortization), as of March 31, 2012. The Company intends to commence construction after Sands Cotai Central is complete and necessary government approvals are obtained.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

Parcels 7 and 8 Consistent with its original plans, the Company had commenced pre-construction activities and has capitalized construction costs of $101.1 million as of March 31, 2012. The Company intends to commence construction after Sands Cotai Central and the integrated resort on parcel 3 are completed, necessary government approvals obtained (including the land concession, see below), future demand warrants it and additional financing is obtained. If the Company is successful in winning its judicial appeal and obtaining the land concession for parcels 7 and 8 (as discussed below), and is able to proceed with this portion of the development as planned, the related integrated resort is expected to be similar in size and scope to Sands Cotai Central.

The impact of the delayed construction on the Company s previously estimated cost to complete its Cotai Strip developments on parcels 3 and 7 and 8 is currently not determinable with certainty. As of March 31, 2012, the Company has capitalized an aggregate of $7.78 billion in construction costs and land premiums (net of amortization) for its Cotai Strip developments, including The Venetian Macao, Four Seasons Macao and Sands Cotai Central, as well as the Company s investments in transportation infrastructure, including its passenger ferry service operations. In addition to funding phases I and II of Sands Cotai Central with borrowings under the Company s new $3.7 billion Macao credit facility completed in November 2011 (the 2011 VML Credit Facility), the Company will need to arrange additional financing to fund the balance of its Cotai Strip developments and there is no assurance that the Company will be able to obtain the additional financing required or on terms suitable to the Company.

Land concessions in Macao generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macao law. The Company has received land concessions from the Macao government to build on parcels 1, 2, 3 and 5 and 6, including the sites on which The Venetian Macao, the Four Seasons Macao and Sands Cotai Central are located. The Company does not own these land sites in Macao; however, the land concessions grant the Company exclusive use of the land. As specified in the land concessions, the Company is required to pay premiums for each parcel, which are either payable in a single lump sum upon acceptance of the land concessions by the Macao government or in seven semi-annual installments, as well as annual rent for the term of the land concessions. In December 2010, the Company received notice from the Macao government that its application for a land concession for parcels 7 and 8 was not approved and the Company applied to the Chief Executive of Macao for an executive review of the decision. In January 2011, the Company filed a judicial appeal with the Court of Second Instance in Macao, which has yet to issue a decision. Should the Company win its judicial appeal, it is still possible for the Chief Executive of Macao to again deny the land concession based upon public policy considerations. If the Company does not obtain the land concession or does not receive full reimbursement of its capitalized investment in this project, the Company would record a charge for all or some portion of the $101.1 million in capitalized construction costs, as of March 31, 2012, related to its development on parcels 7 and 8.

Under the Company s land concession for parcel 3, the Company was initially required to complete the corresponding development by August 2011. The Macao government has granted the Company a two-year extension to complete the development of parcel 3, which now must be completed by April 2013. The land concession for Sands Cotai Central contains a similar requirement that the corresponding development be completed by May 2014. The Company intends to apply for an extension from the Macao government to complete its parcel 3 development as it will be unable to meet the April 2013 deadline. Should the Company determine that it is unable to complete Sands Cotai Central by May 2014, the Company also intends to apply for an extension from the Macao government. No assurances can be given that additional extensions will be granted. If the Company is unable to meet the applicable deadline for Sands Cotai Central and the deadlines for either development are not extended, it could lose its land concessions for parcel 3 or Sands Cotai Central, which would prohibit the Company from operating any facilities developed under the respective land concessions. As a result, the Company could record a charge for all or some portion of its $96.7 million and $3.32 billion in capitalized construction costs and land premiums (net of amortization), as of March 31, 2012, related to its development on parcel 3 or Sands Cotai Central, respectively.

United States

The Company was constructing a high-rise residential condominium tower (the Las Vegas Condo Tower), located on the Las Vegas Strip between The Palazzo and The Venetian Las Vegas. The Company suspended construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. The Company intends to recommence construction when demand and conditions improve. As of March 31, 2012, the Company has capitalized construction costs of $178.3 million for this project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty.

Other

The Company continues to aggressively pursue a variety of new development opportunities around the world.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

Development Financing Strategy

Through March 31, 2012, the Company has funded its development projects primarily through borrowings under its U.S., Macao and Singapore credit facilities, operating cash flows, proceeds from its equity offerings and proceeds from the disposition of non-core assets.

The U.S. credit facility, as amended in August 2010, requires the Company s Las Vegas operations to comply with certain financial covenants at the end of each quarter, including maintaining a maximum leverage ratio of net debt, as defined, to trailing twelve-month adjusted earnings before interest, income taxes, depreciation and amortization, as defined (Adjusted EBITDA). The maximum leverage ratio is 5.5x for the quarterly periods ended March 31 and June 30, 2012, and then decreases to 5.0x for all quarterly periods thereafter through maturity. The Company can elect to contribute up to $50 million of cash on hand to its Las Vegas operations on a bi-quarterly basis; such contributions having the effect of increasing Adjusted EBITDA during the applicable quarter for purposes of calculating compliance with the maximum leverage ratio (the EBITDA true-up). The Singapore credit facility requires operations of Marina Bay Sands to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 5.25x for the quarterly period ended March 31, 2012, and then decreases by 0.25x every other quarter until September 30, 2014, when it decreases to, and remains at, 3.75x for all quarterly periods thereafter through maturity. The Company s 2011 VML Credit Facility, entered into in September 2011, also requires the Company s Macao operations to comply with similar financial covenants, which commenced with the quarterly period ended March 31, 2012, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 4.5x for the quarterly periods ended March 31, 2012 through June 30, 2013, decreases to 4.0x for the quarterly periods ended September 30, 2013 through December 31, 2014, decreases to 3.5x for the quarterly periods ended March 31 through December 31, 2015, and then decreases to, and remains at, 3.0x for all quarterly periods thereafter through maturity. If the Company is unable to maintain compliance with the financial covenants under these credit facilities, it would be in default under the respective credit facilities. A default under the U.S. credit facility would trigger a cross-default under the Company s airplane financings. Certain defaults under the 2011 VML Credit Facility would trigger a cross-default under the Company s ferry financing. Any defaults or cross-defaults under these agreements would allow the lenders, in each case, to exercise their rights and remedies as defined under their respective agreements. If the lenders were to exercise their rights to accelerate the due dates of the indebtedness outstanding, there can be no assurance that the Company would be able to repay or refinance any amounts that may become due and payable under such agreements, which could force the Company to restructure or alter its operations or debt obligations.

The Company held unrestricted and restricted cash and cash equivalents of approximately $4.06 billion and $7.3 million, respectively, as of March 31, 2012. The Company believes that the cash on hand, cash flow generated from operations and available borrowings under its credit facilities will be sufficient to fund its development projects currently under construction and maintain compliance with the financial covenants of its U.S., Macao and Singapore credit facilities. In the normal course of its activities, the Company will continue to evaluate its capital structure and opportunities for enhancements thereof. In November 2011, the Company completed its $3.7 billion 2011 VML Credit Facility, which was used to repay the outstanding indebtedness under the VML and VOL credit facilities, as well as to continue to fund the development, construction and completion of certain components of Sands Cotai Central.

In March 2012, the Company s wholly owned subsidiary, Marina Bay Sands Pte. Ltd. (MBS), secured a commitment for a new 5.1 billion Singapore dollar (SGD, approximately $4.06 billion at exchange rates in effect on March 31, 2012) credit facility, which is expected to consist of a SGD 4.6 billion (approximately $3.66 billion at exchange rates in effect on March 31, 2012) term loan and a SGD 500.0 million (approximately $398.1 million at exchange rates in effect on March 31, 2012) revolving facility, which will include a SGD 100.0 million (approximately $79.6 million at exchange rates in effect on March 31, 2012) swingline facility. The proceeds from the new facility will be used to refinance the existing Singapore credit facility, to pay related fees and expenses, and for general corporate purposes. MBS has commenced marketing of the new facility.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued authoritative guidance that is intended to align the principles for fair value measurements and the related disclosure requirements under GAAP and international financial reporting standards. The guidance is effective for interim and annual reporting periods beginning on or after December 15, 2011. The adoption of this guidance did not have a material effect on the Company s financial condition, results of operations or cash flows.

In June 2011, the FASB issued authoritative guidance that amends the presentation of comprehensive income in the financial statements by requiring an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance also eliminates the option to present the components of other comprehensive income as part of the statement of equity. The guidance is effective for interim and annual reporting periods beginning on or after December 15, 2011, with early adoption permitted. See the condensed consolidated statements of comprehensive income for the required presentation.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

NOTE 2 PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following (in thousands):

	$15,329,602 March 31, 2012	$15,329,602 December 31, 2011
Land and improvements	$ 439,023	$ 436,768
Building and improvements	11,633,890	11,456,407
Furniture, fixtures, equipment and leasehold improvements	2,224,125	2,147,326
Transportation	411,626	405,156
Construction in progress	3,928,031	3,677,479
	18,636,695	18,123,136
Less accumulated depreciation and amortization	(3,307,093)	(3,092,157)
	$ 15,329,602	$ 15,030,979

Construction in progress consists of the following (in thousands):

	$15,329,602 March 31, 2012	$15,329,602 December 31, 2011
Sands Cotai Central	$ 3,119,034	$ 2,902,743
Four Seasons Macao (principally the Four Seasons Apartments)	407,946	404,650
Other	401,051	370,086
	$ 3,928,031	$ 3,677,479

The $401.1 million in other construction in progress consists primarily of construction of the Las Vegas Condo Tower and Cotai Strip parcels 3 and 7 and 8.

Under generally accepted accounting principles, the sale of The Shoppes at The Palazzo has not been accounted for as a sale because the Company s participation in certain future revenues constitutes continuing involvement in The Shoppes at The Palazzo. Therefore, $266.2 million of the proceeds allocated to the mall sale transaction has been recorded as deferred proceeds (a long-term financing obligation), which will accrue interest at an imputed rate and will be offset by (i) imputed rental income and (ii) rent payments made to GGP related to spaces leased back from GGP by the Company. The property and equipment legally sold to GGP totaling $260.8 million (net of $50.6 million of accumulated depreciation) as of March 31, 2012, will continue to be recorded on the Company s condensed consolidated balance sheet and will continue to be depreciated in the Company s condensed consolidated income statement.

During the three months ended March 31, 2012 and 2011, the Company capitalized interest expense of $22.1 million and $30.6 million, respectively. During the three months ended March 31, 2012 and 2011, the Company capitalized approximately $2.8 million and $8.9 million, respectively, of internal costs, consisting primarily of compensation expense for individuals directly involved with the development and construction of property.

During the three months ended March 31, 2012, the Company terminated its ZAiA show at The Venetian Macao and recorded a one-time impairment loss of $42.9 million.

The Company suspended portions of its development projects. As described in Note 1 Organization and Business of Company Development Projects, the Company may be required to record an impairment charge related to these developments in the future.

The Company had commenced pre-construction activities on parcels 7 and 8, and has capitalized construction costs of $101.1 million as of March 31, 2012. During December 2010, the Company received notice from the Macao government that its application for a land concession for parcels 7 and 8 was not approved and the Company applied to the Chief Executive of Macao for an executive review of the decision. In January 2011, the Company filed a judicial appeal with the Court of Second Instance in Macao, which has yet to issue a decision. Should the Company win its judicial appeal, it is still possible for the Chief Executive of Macao to again deny the land concession based upon public policy considerations. In order to obtain the land concession and construct the resort, the Company would need to win its appeal and avoid any future denial of the land concession based upon public policy considerations. If the Company does not obtain the land concession or does not receive full reimbursement of its capitalized investment in this project, the Company would record a charge for all or some portion of the $101.1 million in capitalized construction costs, as of March 31, 2012, related to its development on parcels 7 and 8.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

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(UNAUDITED)

NOTE 3 LONG-TERM DEBT

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

	March 31, 2012	December 31, 2011
Corporate and U.S. Related:		
Senior Secured Credit Facility Term B	$ 2,130,081	$ 2,135,504
Senior Secured Credit Facility Delayed Draws I and II	711,279	713,089
6.375% Senior Notes (net of original issue discount of $547)		189,165
Airplane Financings	73,813	74,734
HVAC Equipment Lease	20,922	21,337
Other	2,730	2,958
Macao Related:		
2011 VML Credit Facility	3,206,733	3,206,010
Ferry Financing	131,557	140,268
Other	562	306
Singapore Related:		
Singapore Credit Facility	3,573,132	3,548,162
Other	1,164	1,444
	9,851,973	10,032,977
Less current maturities	(469,324)	(455,846)
Total long-term debt	$ 9,382,649	$ 9,577,131

Senior Secured Credit Facility

As of March 31, 2012, the Company had $520.6 million of available borrowing capacity under the Senior Secured Credit Facility, net of outstanding letters of credit.

Senior Notes

In March 2012, the Company redeemed the Senior Notes for $191.7 million and recorded a $2.8 million loss on early retirement of debt.

2011 VML Credit Facility

As of March 31, 2012, the Company had $500.0 million of available borrowing capacity under the 2011 VML Credit Facility.

Singapore Credit Facility

As of March 31, 2012, the Company had SGD 105.6 million (approximately $84.1 million at exchange rates in effect on March 31, 2012) of available borrowing capacity under the Singapore Credit Facility. In January 2012, the banker s guarantee was released by the STB and the Singapore Credit Facility C was immediately terminated.

Cash Flows from Financing Activities

Cash flows from financing activities related to long-term debt and capital lease obligations are as follows (in thousands):

	Three Months Ended March 31,	
	2012	**2011**
Repayments on Singapore Credit Facility	$ (98,577)	$ (97,691)
Repayments on Senior Secured Credit Facility	(7,234)	(7,234)
Repayments on VML Credit Facility		(6,250)
Redemption of Senior Notes	(189,712)	
Repayments on Ferry Financing	(8,779)	(8,745)
Repayments on Airplane Financings	(922)	(922)
Repayments on HVAC Equipment Lease	(415)	(426)
Repayments on Other Long-Term Debt	(592)	(453)
	$ (306,231)	$ (121,721)

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

Fair Value of Long-Term Debt

The estimated fair value of the Company s long-term debt as of March 31, 2012 and December 31, 2011, was approximately $9.48 billion, compared to its carrying value of $9.83 billion and $10.01 billion, respectively. The estimated fair value of the Company s long-term debt is based on level 2 inputs (quoted prices in markets that are not active).

NOTE 4 EQUITY AND EARNINGS PER SHARE

Preferred Stock and Warrants

On February 15, 2011, the Company paid a dividend of $2.50 per preferred share, totaling $19.6 million (of which $13.1 million was paid to the Principal Stockholder s family).

On March 2, 2012, the Principal Stockholder s family exercised all of their outstanding warrants to purchase 87,500,175 shares of the Company s common stock for $6.00 per share and paid $525.0 million in cash as settlement of the warrant exercise price. Additionally, during the three months ended March 31, 2012, 11,670 warrants were exercised to purchase an aggregate of 194,499 shares of the Company s common stock at $6.00 per share and $1.2 million in cash was received as settlement of the warrant exercise price.

During the three months ended March 31, 2011, holders of preferred stock exercised 1,194,700 warrants to purchase an aggregate of 19,911,702 shares of the Company s common stock at $6.00 per share and tendered 1,137,100 shares of preferred stock and $5.8 million in cash as settlement of the warrant exercise price. In conjunction with certain of these transactions, the Company paid $16.2 million in premiums to induce the exercise of warrants with settlement through tendering preferred stock. During the three months ended March 31, 2011, the Company also repurchased and retired 40,300 shares of preferred stock for $4.5 million and recorded a $2.2 million repurchase premium as part of the transaction.

Common Stock Dividends

On March 30, 2012, the Company paid a dividend of $0.25 per common share as part of a regular cash dividend program. During the three months ended March 31, 2012, the Company recorded $205.7 million as a distribution against retained earnings (of which $107.8 million related to the Principal Stockholder s family). Of this amount, approximately $0.4 million has been recorded as a liability, which will be paid to holders of unvested restricted stock and stock units upon vesting.

In April 2012, the Company s Board of Directors declared a quarterly dividend of $0.25 per common share (a total estimated to be approximately $206 million) to be paid on June 29, 2012, to shareholders of record on June 20, 2012.

Noncontrolling Interests

On February 28, 2012, SCL paid a dividend of 0.58 Hong Kong dollars per share (a total of $599.8 million) to SCL shareholders of record on February 20, 2012 (of which the Company retained $421.6 million). In addition, during the three months ended March 31, 2012, the Company distributed $2.2 million to certain of its noncontrolling interests.

Earnings Per Share

The weighted average number of common and common equivalent shares used in the calculation of basic and diluted earnings per share consisted of the following:

	Three Months Ended March 31,	
	2012	2011
Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	760,437,437	723,389,226
Potential dilution from stock options, warrants and restricted stock and stock units	58,359,718	87,850,016
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	818,797,155	811,239,242
Antidilutive stock options, warrants and restricted stock and stock units excluded from the calculation of diluted earnings per share	4,269,417	5,334,276

Accumulated Other Comprehensive Income

As of March 31, 2012 and December 31, 2011, accumulated other comprehensive income consisted solely of foreign currency translation adjustments.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

NOTE 5 VARIABLE INTEREST ENTITIES

The Company consolidates any variable interest entities (VIEs) in which it is the primary beneficiary and discloses significant variable interests in VIEs of which it is not the primary beneficiary, if any, which management determines such designation based on accounting standards for VIEs.

The Company has entered into various joint venture agreements with independent third parties. The operations of these joint ventures have been consolidated by the Company due to the Company s significant investment in these joint ventures, its power to direct the activities of the joint ventures that would significantly impact their economic performance and the obligation to absorb potentially significant losses or the rights to receive potentially significant benefits from these joint ventures. The Company evaluates its primary beneficiary designation on an ongoing basis and will assess the appropriateness of the VIE s status when events have occurred that would trigger such an analysis.

As of March 31, 2012 and December 31, 2011, the Company s joint ventures had total assets of $108.1 million and $108.4 million, respectively, and total liabilities of $107.8 million and $104.3 million, respectively.

NOTE 6 INCOME TAXES

The Company s major tax jurisdictions are the U.S., Macao and Singapore. In 2010 and 2011, the Internal Revenue Service (IRS) issued Revenue Agent s Reports for tax years 2005 through 2008 and 2009, respectively, of which the Company is appealing certain adjustments proposed by the IRS. The Company disagrees with several of the proposed adjustments and submitted a protest and a request for an appeals conference to the IRS. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits at March 31, 2012, may decrease by a range of $0 to $24 million within the next twelve months primarily due to the possible settlement of matters presently under consideration at appeals in connection with the IRS audit of the Company s 2005 through 2008 consolidated federal income tax returns. The Company is subject to examination for tax years after 2006 in Macao and Singapore and for tax years after 2009 in the U.S. The Company believes it has adequately reserved for its uncertain tax positions; however, there is no assurance that the taxing authorities will not propose adjustments that are different than the Company s expected outcome and impact the provision for income taxes.

During the three months ended March 31, 2012, a wholly owned foreign subsidiary paid a dividend resulting in incremental U.S. taxable income. The receipt of the dividend did not result in a cash tax liability for the Company as the incremental U.S. taxable income was fully offset by the utilization of the U.S. federal net operating loss and the U.S. foreign tax credits generated as a result of the dividend. In addition, the dividend generated excess U.S. foreign tax credits that will be available to be carried forward to tax years beyond 2012. The Company recorded valuation allowances on the net deferred tax assets of its U.S. operations and certain foreign jurisdictions. Management will reassess the realization of deferred tax assets based on the accounting standards for income taxes each reporting period. To the extent it becomes more-likely-than-not that the deferred tax assets are realizable, the Company will be able to reduce the valuation allowance.

The Company received a 5-year income tax exemption in Macao that exempts the Company from paying corporate income tax on profits generated by gaming operations. The Company will continue to benefit from this tax exemption through the end of 2013. In February 2011, the Company entered into an agreement with the Macao government, effective through the end of 2013 that provides for an annual payment of 14.4 million patacas (approximately $1.8 million at exchange rates in effect on March 31, 2012) that is a substitution for a 12% tax otherwise due from Venetian Macau Limited (VML) shareholders on dividend distributions paid from VML gaming profits.

NOTE 7 STOCK-BASED EMPLOYEE COMPENSATION

Stock-based compensation activity under the LVSC 2004 and SCL Equity Plans is as follows (in thousands, except weighted average grant date fair values):

	Three Months Ended March 31, 2012	2011
Compensation expense:		
Stock options	$ 10,866	$ 15,301
Restricted stock and stock units	8,300	4,938
	$ 19,166	$ 20,239
Compensation cost capitalized as part of property and equipment	$ 218	$ 600
LVSC 2004 Plan:		
Stock options granted	51	230
Weighted average grant date fair value	$ 35.49	$ 36.22
Restricted stock granted	497	620
Weighted average grant date fair value	$ 53.30	$ 48.01
Restricted stock units granted	13	
Weighted average grant date fair value	$ 51.07	$
SCL Equity Plan:		
Stock options granted	2,435	2,746
Weighted average grant date fair value	$ 1.68	$ 1.52

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The fair value of each option grant was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
LVSC 2004 Plan:		
Weighted average volatility	95.3%	94.3%
Expected term (in years)	6.3	6.3
Risk-free rate	1.1%	2.8%
Expected dividends	1.9%	
SCL Equity Plan:		
Weighted average volatility	70.4%	68.9%
Expected term (in years)	6.2	6.3
Risk-free rate	0.6%	1.7%
Expected dividends	4.0%	

NOTE 8 FAIR VALUE MEASUREMENTS

Under applicable accounting guidance, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance also establishes a valuation hierarchy for inputs in measuring fair value that maximizes the use of observable inputs (inputs market participants would use based on market data obtained from sources independent of the Company) and minimizes the use of unobservable inputs (inputs that reflect the Company s assumptions based upon the best information available in the circumstances) by requiring that the most observable inputs be used when available. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the assets or liabilities, either directly or indirectly. Level 3 inputs are unobservable inputs for the assets or liabilities. Categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table provides the assets carried at fair value (in thousands):

	Total Carrying Value	Fair Value Measurements Using: Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of March 31, 2012				
Cash equivalents[1]	$ 2,796,052	$ 2,796,052	$	$
Interest rate caps[2]	$ 201	$	$ 201	$
As of December 31, 2011				
Cash equivalents[1]	$ 2,766,796	$ 2,766,796	$	$

Interest rate caps[2]	$	1,195	$		$	1,195	$	

(1) The Company has short-term investments classified as cash equivalents as the original maturities are less than 90 days.

(2) As of March 31, 2012 and December 31, 2011, the Company had 37 and 38 interest rate cap agreements, respectively, with an aggregate fair value of approximately $0.2 million and $1.2 million, respectively, based on quoted market values from the institutions holding the agreements.

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NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved in other litigation in addition to those noted below, arising in the normal course of business. Management has made certain estimates for potential litigation costs based upon consultation with legal counsel. Actual results could differ from these estimates; however, in the opinion of management, such litigation and claims will not have a material effect on the Company s financial condition, results of operations or cash flows.

On October 15, 2004, Richard Suen and Round Square Company Limited filed an action against LVSC, Las Vegas Sands, Inc. (LVSI), Sheldon G. Adelson and William P. Weidner in the District Court of Clark County, Nevada, asserting a breach of an alleged agreement to pay a success fee of $5.0 million and 2.0% of the net profit from the Company s Macao resort operations to the plaintiffs as well as other related claims. In March 2005, LVSC was dismissed as a party without prejudice based on a stipulation to do so between the parties. Pursuant to an order filed March 16, 2006, plaintiffs fraud claims set forth in the first amended complaint were dismissed with prejudice against all defendants. The order also dismissed with prejudice the first amended complaint against defendants Sheldon G. Adelson and William P. Weidner. On May 24, 2008, the jury returned a verdict for the plaintiffs in the amount of $43.8 million. On June 30, 2008, a judgment was entered in this matter in the amount of $58.6 million (including pre-judgment interest). The Company appealed the verdict to the Nevada Supreme Court. On November 17, 2010, the Nevada Supreme Court reversed the judgment and remanded the case to the District Court of Clark County for a new trial. In its decision reversing the monetary judgment against the Company, the Nevada Supreme Court also made several other rulings which may affect the outcome of the new trial, including overturning the pre-trial dismissal of the plaintiffs breach of contract claim and deciding several evidentiary matters, some of which confirmed and some of which overturned rulings made by the District Court of Clark County. On February 27, 2012, the District Court of Clark County set a date of March 25, 2013, for the new trial. As such, the Company is unable at this time to determine the probability of the outcome or range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On October 20, 2010, Steven C. Jacobs, the former Chief Executive Officer of SCL, filed an action against LVSC and SCL in the District Court of Clark County, Nevada, alleging breach of contract against LVSC and SCL and breach of the implied covenant of good faith and fair dealing and tortious discharge in violation of public policy against LVSC. On March 16, 2011, an amended complaint was filed, which added Sheldon G. Adelson as a defendant and alleged a claim of defamation per se against him, LVSC and SCL. On June 9, 2011, the District Court of Clark County dismissed the defamation claim and certified the decision as to Sheldon G. Adelson as a final judgment. On July 1, 2011, the plaintiff filed a notice of appeal regarding the final judgment as to Sheldon G. Adelson. On August 26, 2011, the Nevada Supreme Court issued a writ of mandamus instructing the District Court of Clark County to hold an evidentiary hearing on whether personal jurisdiction exists over SCL and stayed the case until after the district court s decision. On January 17, 2012, Mr. Jacobs filed his opening brief with the Supreme Court of Nevada regarding his appeal of the defamation claim against Mr. Adelson. On January 30, 2012, Mr. Adelson filed his reply to Mr. Jacobs opening brief. On March 8, 2012, the District Court of Clark County set a hearing date for the week of June 25-29, 2012, for the evidentiary hearing on personal jurisdiction over SCL. Mr. Jacobs is seeking unspecified damages. This action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On February 9, 2011, LVSC received a subpoena from the Securities and Exchange Commission requesting that the Company produce documents relating to its compliance with the Foreign Corrupt Practices Act (the FCPA). The Company has also been advised by the Department of Justice that it is conducting a similar investigation. It is the Company s belief that the subpoena may have emanated from allegations contained in the lawsuit filed by Steven C. Jacobs described above. The Company is cooperating with the investigations. Based on proceedings to date, management is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any.

On May 24, 2010, Frank J. Fosbre, Jr. filed a purported class action complaint in the United States District Court for the District of Nevada (the U.S. District Court), against LVSC, Sheldon G. Adelson, and William P. Weidner. The complaint alleged that LVSC, through the individual defendants, disseminated or approved materially false information, or failed to disclose material facts, through press releases, investor conference calls and other means from August 1, 2007 through November 6, 2008. The complaint sought, among other relief, class certification, compensatory damages and attorneys fees and costs. On July 21, 2010, Wendell and Shirley Combs filed a purported class action complaint in the U.S. District Court, against LVSC, Sheldon G. Adelson, and William P. Weidner. The complaint alleged that LVSC, through the individual defendants, disseminated or approved materially false information, or failed to disclose material facts, through press releases, investor conference calls and other means from June 13, 2007 through November 11, 2008. The complaint, which was substantially similar to the Fosbre complaint, discussed above, sought, among other relief, class certification, compensatory damages and attorneys fees and costs. On August 31, 2010, the U.S. District Court entered an order consolidating the Fosbre and Combs cases, and appointed lead plaintiffs and lead counsel. As such, the Fosbre and Combs cases are reported as one consolidated matter. On November 1, 2010, a purported class action amended complaint was filed in the consolidated action against LVSC, Sheldon G. Adelson and William P. Weidner. The amended complaint alleges that LVSC, through the individual defendants, disseminated or approved materially false and misleading information, or failed to disclose material facts,

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through press releases, investor conference calls and other means from August 2, 2007 through November 6, 2008. The amended complaint seeks, among other relief, class certification, compensatory damages and attorneys fees and costs. On January 10, 2011, the defendants filed a motion to dismiss the amended complaint, which, on August 24, 2011, was granted in part, and denied in part, with the dismissal of certain allegations. On November 7, 2011, the defendants filed their answer to the allegations remaining in the amended complaint. The discovery process has also begun. This consolidated action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On March 9, 2011, Benyamin Kohanim filed a shareholder derivative action (the Kohanim action) on behalf of the Company in the District Court of Clark County, Nevada, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint alleges, among other things, breach of fiduciary duties in failing to properly implement, oversee and maintain internal controls to ensure compliance with the FCPA. The complaint seeks to recover for the Company unspecified damages, including restitution and disgorgement of profits, and also seeks to recover attorneys fees, costs and related expenses for the plaintiff. On April 18, 2011, Ira J. Gaines, Sunshine Wire and Cable Defined Benefit Pension Plan Trust dated 1/1/92 and Peachtree Mortgage Ltd. filed a shareholder derivative action (the Gaines action) on behalf of the Company in the District Court of Clark County, Nevada, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint raises substantially similar claims as alleged in the Kohanim action. The complaint seeks to recover for the Company unspecified damages, and also seeks to recover attorneys fees, costs and related expenses for the plaintiffs. The Kohanim and Gaines actions have been consolidated and are reported as one consolidated matter. On July 25, 2011, the plaintiffs filed a first verified amended consolidated complaint. The plaintiffs have twice agreed to stay the proceedings. A 120-day stay was entered by the court in October 2011. It was extended for another 90 days in February 2012 and is set to expire in May 2012. This consolidated action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On April 1, 2011, Nasser Moradi, Richard Buckman, Douglas Tomlinson and Matt Abbeduto filed a shareholder derivative action (the Moradi action), as amended on April 15, 2011, on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint raises substantially similar claims as alleged in the Kohanim and Gaines actions. The complaint seeks to recover for the Company unspecified damages, including exemplary damages and restitution, and also seeks to recover attorneys fees, costs and related expenses for the plaintiffs. On April 18, 2011, the Louisiana Municipal Police Employees Retirement System filed a shareholder derivative action (the LAMPERS action) on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time, and Wing T. Chao, a former member of the Board of Directors. The complaint raises substantially similar claims as alleged in the Kohanim, Moradi and Gaines actions. The complaint seeks to recover for the Company unspecified damages, and also seeks to recover attorneys fees, costs and related expenses for the plaintiff. On April 22, 2011, John Zaremba filed a shareholder derivative action (the Zaremba action) on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time, and Wing T. Chao, a former member of the Board of Directors. The complaint raises substantially similar claims as alleged in the Kohanim, Moradi, Gaines and LAMPERS actions. The complaint seeks to recover for the Company unspecified damages, including restitution, disgorgement of profits and injunctive relief, and also seeks to recover attorneys fees, costs and related expenses for the plaintiff. On August 25, 2011, the U.S. District Court consolidated the Moradi, LAMPERS and Zaremba actions and such actions are reported as one consolidated matter. On November 17, 2011, the defendants filed a motion to dismiss or alternatively to stay the federal action due to the parallel state court action described above. This consolidated action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On March 23, 2012, Ernest Kleinschmidt filed a shareholder derivative action (the Kleinschmidt action) on behalf of the Company in the District Court of Clark County, Nevada, against Sheldon G. Adelson, Michael A. Leven, Irwin A. Siegel, Jeffrey H. Schwartz, Jason N. Ader, Charles D.

Forman, Irwin Chafetz and George P. Koo, who are currently members of the Board of Directors, and Wing T. Chao, Andrew R. Heyer, James Purcell, Bradley H. Stone and William P. Weidner, who are former members of the Board of Directors and/or executives of the Company. The complaint alleges, among other things, breach of fiduciary duties for disseminating false and misleading information, failing to maintain internal controls and failing to properly oversee and manage the Company, and unjust enrichment. The complaint seeks, among other relief, unspecified damages, direction to LVSC to take unspecified actions to improve its corporate governance and internal procedures, restitution and disgorgement of profits, and attorneys fees, costs and related expenses for the plaintiff. The Company has not been served with the complaint in the Kleinschmidt action and, therefore, management is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On January 19, 2012, Asian American Entertainment Corporation, Limited (AAEC) filed a claim (the Macao action) with the Macao Judicial Court (Tribunal Judicial de Base) against VML, LVS (Nevada) International Holdings, Inc. (LVS (Nevada)), Las Vegas Sands, LLC (LVSLLC) and

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

Venetian Casino Resort, LLC (VCR, and collectively, the Defendants). The claim is for 3.0 billion patacas (approximately $375.1 million at exchange rates in effect on March 31, 2012) as compensation for damages resulting from the alleged breach of agreements entered into between AAEC and the Defendants for their joint presentation of a bid in response to the public tender held by the Macao government for the award of gaming concessions at the end of 2001. The Macao action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

As previously disclosed by the Company, on February 5, 2007, AAEC brought a similar claim (the Prior Action) in the U.S. District Court, against Las Vegas Sands Inc. (now known as Las Vegas Sands, LLC), VCR and Venetian Venture Development, LLC, which are subsidiaries of the Company, and William P. Weidner and David Friedman, who are former executives of the Company. The U.S. District Court entered an order on April 16, 2010, dismissing the Prior Action. On April 20, 2012, LVSLLC, VCR and LVS (Nevada) filed an injunctive action (the Nevada Action) against AAEC in the U.S. District Court seeking to enjoin AAEC from proceeding with the Macao Action based on AAEC s filing, and the U.S. District Court s dismissal, of the Prior Action. The U.S. District Court has not ruled on the Nevada Action.

Other Agreements

The Company s agreement with Starwood related to the Las Vegas Condo Tower has been terminated in connection with the suspension of the project and management is currently evaluating alternatives for branding the project. If the Company is unsuccessful in rebranding its Las Vegas Condo Tower, such measures could have a material adverse effect on the Company s financial condition, results of operations and cash flows.

NOTE 10 SEGMENT INFORMATION

The Company s principal operating and developmental activities occur in three geographic areas: Macao, Singapore and the U.S. The Company reviews the results of operations for each of its operating segments: The Venetian Macao; Sands Macao; Four Seasons Macao; Other Asia (comprised primarily of the Company s ferry operations and various other operations that are ancillary to the Company s properties in Macao); Marina Bay Sands; The Venetian Las Vegas, which includes the Sands Expo Center; The Palazzo; and Sands Bethlehem. The Venetian Las Vegas and The Palazzo operating segments are managed as a single integrated resort and have been aggregated as one reportable segment (the Las Vegas Operating Properties), considering their similar economic characteristics, types of customers, types of services and products, the regulatory business environment of the operations within each segment and the Company s organizational and management reporting structure. The Company also reviews construction and development activities for each of its primary projects under development, some of which have been suspended, in addition to its reportable segments noted above. The Company s primary projects under development are Sands Cotai Central (which opened phase I in April 2012) and Cotai Strip parcels 3 and 7 and 8 (included in Other Development Projects) in Macao and the Las Vegas Condo Tower (included in Corporate and Other) in the U.S. Corporate and Other also includes the corporate activities of the Company. The information for the three months ended March 31, 2011, has been reclassified to conform to the current presentation. The Company s segment information as of March 31, 2012 and December 31, 2011, and for the three months ended March 31, 2012 and 2011, is as follows (in thousands):

	Three Months Ended March 31,	
	2012	**2011**
Net Revenues:		
Macao:		
The Venetian Macao	$ 772,760	$ 638,269
Sands Macao	349,083	322,793

Four Seasons Macao	299,604	172,107
Other Asia	35,568	33,773
	1,457,015	1,166,942
Marina Bay Sands	848,669	584,925
United States:		
Las Vegas Operating Properties	384,603	305,075
Sands Bethlehem	115,562	91,030
	500,165	396,105
Intersegment eliminations	(43,107)	(36,053)
Total net revenues	$ 2,762,742	$ 2,111,919
Adjusted Property EBITDA(1)		
Macao:		
The Venetian Macao	$ 281,933	$ 228,400
Sands Macao	106,956	92,648
Four Seasons Macao	67,519	57,547
Other Asia	(5,722)	(4,606)
	450,686	373,989
Marina Bay Sands	472,519	284,471
United States:		
Las Vegas Operating Properties	115,806	65,165
Sands Bethlehem	27,502	22,109
	143,308	87,274
Total adjusted property EBITDA	1,066,513	745,734
Other Operating Costs and Expenses		
Stock-based compensation	(9,169)	(8,295)
Corporate	(48,955)	(37,576)
Pre-opening	(51,459)	(9,471)
Development	(1,198)	(573)
Depreciation and amortization	(194,747)	(190,237)
Amortization of leasehold interests in land	(9,945)	(13,156)
Impairment loss	(42,893)	
Loss on disposal of assets	(593)	(499)
Operating income	707,554	485,927
Other Non-Operating Costs and Expenses		
Interest income	5,648	2,047
Interest expense, net of amounts capitalized	(64,672)	(73,585)
Other expense	(3,419)	(4,675)
Loss on early retirement of debt	(2,831)	
Income tax expense	(63,171)	(45,211)
Net income	$ 579,109	$ 364,503

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

(1) Adjusted property EBITDA is net income before royalty fees, stock-based compensation expense, corporate expense, pre-opening expense, development expense, depreciation and amortization, amortization of leasehold interests in land, impairment loss, loss on disposal of assets, interest, other expense, loss on early retirement of debt and income taxes. Adjusted property EBITDA is used by management as the primary measure of operating performance of the Company s properties and to compare the operating performance of the Company s properties with that of its competitors.

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Intersegment Revenues		
Macao:		
The Venetian Macao	$ 913	$ 895
Other Asia	6,416	7,901
	7,329	8,796
Marina Bay Sands	488	197
Las Vegas Operating Properties	35,290	27,060
Total intersegment revenues	$ 43,107	$ 36,053

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Capital Expenditures		
Corporate and Other	$ 5,024	$ 2,845
Macao:		
The Venetian Macao	20,606	
Sands Macao	4,729	
Four Seasons Macao	16,705	1,293
Sands Cotai Central	262,986	140,993
Other Asia	232	2,819
Other Development Projects	44	
	305,302	145,105
Marina Bay Sands	62,391	157,984
United States:		
Las Vegas Operating Properties	16,509	8,402
Sands Bethlehem	9,034	18,172
	25,543	26,574
Total capital expenditures	$ 398,260	$ 332,508

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

	March 31, 2012	December 31, 2011
Total Assets		
Corporate and Other	$ 1,622,256	$ 644,645
Macao:		
The Venetian Macao	2,865,502	3,199,194
Sands Macao	506,535	485,231
Four Seasons Macao	1,329,780	1,267,977
Sands Cotai Central	3,690,709	4,333,406
Other Asia	356,681	328,415
Other Development Projects	206,885	206,150
	8,956,092	9,820,373
Marina Bay Sands	7,194,070	6,794,258
United States:		
Las Vegas Operating Properties	4,208,296	4,105,618
Sands Bethlehem	890,318	879,229
	5,098,614	4,984,847
Total assets	$ 22,871,032	$ 22,244,123

	March 31, 2012	December 31, 2011
Total Long-Lived Assets		
Corporate and Other	$ 315,433	$ 312,860
Macao:		
The Venetian Macao	1,967,123	2,002,751
Sands Macao	289,176	291,620
Four Seasons Macao	998,287	1,006,441
Sands Cotai Central	3,315,125	3,053,551
Other Asia	212,936	216,030
Other Development Projects	197,819	197,079
	6,980,466	6,767,472
Marina Bay Sands	5,619,695	5,471,376
United States:		
Las Vegas Operating Properties	3,204,503	3,244,090
Sands Bethlehem	623,854	625,649
	3,828,357	3,869,739
Total long-lived assets	$ 16,743,951	$ 16,421,447

NOTE 11 CONDENSED CONSOLIDATING FINANCIAL INFORMATION

LVSLLC, VCR, Mall Intermediate Holding Company, LLC, Venetian Transport, LLC, Venetian Marketing, Inc., Lido Intermediate Holding Company, LLC, Lido Casino Resort Holding Company, LLC, Interface Group-Nevada, Inc., Palazzo Condo Tower, LLC, Sands Pennsylvania, Inc., Phase II Mall Holding, LLC, LVS (Nevada) International Holdings, Inc. and LVS Management Services, LLC (collectively, the Restricted Subsidiaries), are all part of the Senior Secured Credit Facility. The noncontrolling interest amount included in the Restricted Subsidiaries condensed consolidating balance sheets is related to non-voting preferred stock of one of the subsidiaries held by third parties.

In February 2008, all of the capital stock of Phase II Mall Subsidiary, LLC was sold to GGP; however, the sale is not complete from an accounting perspective due to the Company s continuing involvement in the transaction related to the participation in certain future revenues earned by GGP. Certain of the assets, liabilities and operating results related to the ownership and operation of the mall by Phase II Mall Subsidiary, LLC subsequent to the sale will continue to be accounted for by the Restricted Subsidiaries, and therefore are included in the Restricted Subsidiaries columns in the following condensed consolidating financial information. As a result, net liabilities of $6.6 million (consisting of $260.8 million of property and equipment, offset by $267.4 million of liabilities consisting primarily of deferred proceeds from the sale) and $3.0 million (consisting of $264.1 million of property and equipment, offset by $267.1 million of liabilities consisting primarily of deferred proceeds from the sale) as of March 31, 2012 and December 31, 2011, respectively, and a net loss (consisting primarily of depreciation expense) of $3.8 million for the three months ended March 31, 2012, related to the mall and are being accounted for by the Restricted Subsidiaries. These balances and amounts are not collateral for the Senior Secured Credit Facility.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

The Company revised its condensed consolidating statements of cash flows for three months ended March 31, 2011, to correct the classification of dividends received by Las Vegas Sands Corp. from the Restricted Subsidiaries. The revision was made to appropriately classify dividends received that represent a return on investment as an operating activity. The revision resulted in an increase of $28.6 million to the Las Vegas Sands Corp. s net cash generated from operating activities for the three months ended March 31, 2011, with a corresponding decrease to net cash generated from investing activities. The Company will revise the Las Vegas Sands Corp. column in the condensed consolidating statements of cash flows to increase net cash generated from operating activities by $49.1 million and $85.3 million, for the six months ended June 30, 2011, and the nine months ended September 30, 2011, respectively, with a corresponding decrease to net cash generated from investing activities the next time they are filed. The Company will also revise the Restricted Subsidiaries column in the condensed consolidating statements of cash flows to increase net cash generated from operating activities by $60.0 million for the nine months ended September 30, 2011, with a corresponding decrease to net cash generated from investing activities the next time they are filed. The revision will be made to appropriately classify dividends received by the Restricted Subsidiaries from the non-restricted subsidiaries that represent a return on investment. These revisions, which the Company determined are not material, had no impact on any financial statements or footnotes, except for the Las Vegas Sands Corp. and Restricted Subsidiaries columns of the condensed consolidating statements of cash flows.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

The condensed consolidating financial information of LVSC, the Restricted Subsidiaries and the non-restricted subsidiaries on a combined basis as of March 31, 2012 and December 31, 2011, and for the three months ended March 31, 2012 and 2011, is as follows (in thousands):

CONDENSED CONSOLIDATING BALANCE SHEETS

March 31, 2012

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	$ 179,599	$ 850,810	$ 3,025,951	$	$ 4,056,360
Restricted cash and cash equivalents		34	4,840		4,874
Intercompany receivables	179,686	47,999		(227,685)	
Accounts receivable, net	1,565	263,950	1,264,825		1,530,340
Inventories	2,459	11,975	25,580		40,014
Deferred income taxes, net		33,837	610	(19,381)	15,066
Prepaid expenses and other	11,968	9,814	54,654	(351)	76,085
Total current assets	375,277	1,218,419	4,376,460	(247,417)	5,722,739
Property and equipment, net	139,704	3,352,544	11,837,354		15,329,602
Investment in subsidiaries	8,426,648	6,545,431		(14,972,079)	
Deferred financing costs, net	281	18,673	144,265		163,219
Restricted cash and cash equivalents		2,466			2,466
Intercompany receivables	31,423	145,581		(177,004)	
Intercompany notes receivable		829,788		(829,788)	
Deferred income taxes, net	65,879			(46,990)	18,889
Leasehold interests in land, net			1,414,349		1,414,349
Intangible assets, net	690		77,327		78,017
Other assets, net	113	24,392	117,246		141,751
Total assets	$ 9,040,015	$ 12,137,294	$ 17,967,001	$ (16,273,278)	$ 22,871,032
Accounts payable	$ 19,708	$ 23,129	$ 62,368	$	$ 105,205
Construction payables	1,722	5,324	304,522		311,568
Intercompany payables		174,271	53,414	(227,685)	
Accrued interest payable	101	1,039	5,797		6,937
Other accrued liabilities	10,248	196,662	1,216,021		1,422,931
Income taxes payable		7	177,197	(351)	176,853
Deferred income taxes	19,381			(19,381)	
Current maturities of long-term debt	3,688	30,549	435,087		469,324
Total current liabilities	54,848	430,981	2,254,406	(247,417)	2,492,818
Other long-term liabilities	35,326	10,729	58,984		105,039
Intercompany payables	73,240		103,764	(177,004)	
Intercompany notes payable			829,788	(829,788)	
Deferred income taxes		47,156	159,261	(46,990)	159,427

Deferred amounts related to mall transactions		433,251			433,251
Long-term debt	70,125	2,831,733	6,480,791		9,382,649
Total liabilities	233,539	3,753,850	9,886,994	(1,301,199)	12,573,184
Total Las Vegas Sands Corp. stockholders equity	8,806,476	8,383,039	6,589,040	(14,972,079)	8,806,476
Noncontrolling interests		405	1,490,967		1,491,372
Total equity	8,806,476	8,383,444	8,080,007	(14,972,079)	10,297,848
Total liabilities and equity	$ 9,040,015	$ 12,137,294	$ 17,967,001	$ (16,273,278)	$ 22,871,032

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

CONDENSED CONSOLIDATING BALANCE SHEETS

December 31, 2011

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	$ 12,849	$ 689,642	$ 3,200,227	$	$ 3,902,718
Restricted cash and cash equivalents		185	4,643		4,828
Intercompany receivables	127,302	43,793		(171,095)	
Accounts receivable, net	1,047	226,869	1,108,901		1,336,817
Inventories	2,434	9,633	22,923		34,990
Deferred income taxes, net	38,806	32,867	519		72,192
Prepaid expenses and other	10,263	4,259	31,085		45,607
Total current assets	192,701	1,007,248	4,368,298	(171,095)	5,397,152
Property and equipment, net	137,044	3,391,316	11,502,619		15,030,979
Investment in subsidiaries	7,891,281	6,263,974		(14,155,255)	
Deferred financing costs, net	608	20,677	152,351		173,636
Restricted cash and cash equivalents		2,315			2,315
Intercompany receivables	31,162	128,270		(159,432)	
Intercompany notes receivable		794,286		(794,286)	
Deferred income taxes, net	544			(391)	153
Leasehold interests in land, net			1,390,468		1,390,468
Intangible assets, net	690		79,378		80,068
Other assets, net	112	18,778	150,462		169,352
Total assets	$ 8,254,142	$ 11,626,864	$ 17,643,576	$ (15,280,459)	$ 22,244,123
Accounts payable	$ 15,084	$ 23,397	$ 65,632	$	$ 104,113
Construction payables	280	4,477	355,152		359,909
Intercompany payables		119,203	51,892	(171,095)	
Accrued interest payable	4,674	1,087	25,907		31,668
Other accrued liabilities	28,100	212,279	1,198,731		1,439,110
Income taxes payable		4	108,056		108,060
Current maturities of long-term debt	3,688	30,561	421,597		455,846
Total current liabilities	51,826	391,008	2,226,967	(171,095)	2,498,706
Other long-term liabilities	26,215	10,723	52,507		89,445
Intercompany payables	65,201		94,231	(159,432)	
Intercompany notes payable			794,286	(794,286)	
Deferred income taxes		48,471	157,358	(391)	205,438
Deferred amounts related to mall transactions		434,251			434,251
Long-term debt	260,211	2,839,369	6,477,551		9,577,131
Total liabilities	403,453	3,723,822	9,802,900	(1,125,204)	12,804,971

Total Las Vegas Sands Corp. stockholders equity	7,850,689	7,902,637	6,252,618	(14,155,255)	7,850,689
Noncontrolling interests		405	1,588,058		1,588,463
Total equity	7,850,689	7,903,042	7,840,676	(14,155,255)	9,439,152
Total liabilities and equity	$ 8,254,142	$ 11,626,864	$ 17,643,576	$ (15,280,459)	$ 22,244,123

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2012

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 158,694	$ 2,107,799	$	$ 2,266,493
Rooms		113,449	154,278		267,727
Food and beverage		47,854	105,601		153,455
Mall			71,418		71,418
Convention, retail and other		75,840	91,278	(37,401)	129,717
		395,837	2,530,374	(37,401)	2,888,810
Less promotional allowances	(233)	(22,385)	(102,997)	(453)	(126,068)
Net revenues	(233)	373,452	2,427,377	(37,854)	2,762,742
Operating expenses:					
Casino		78,164	1,130,005	(618)	1,207,551
Rooms		33,126	19,661	(1)	52,786
Food and beverage		22,796	56,600	(1,095)	78,301
Mall			16,301		16,301
Convention, retail and other		20,712	62,117	(3,305)	79,524
Provision for doubtful accounts		6,548	45,670		52,218
General and administrative		68,489	150,444	(216)	218,717
Corporate	46,195	91	35,281	(32,612)	48,955
Pre-opening			51,460	(1)	51,459
Development	1,204			(6)	1,198
Depreciation and amortization	3,587	55,899	135,261		194,747
Amortization of leasehold interests in land			9,945		9,945
Impairment loss			42,893		42,893
Loss on disposal of assets		402	191		593
	50,986	286,227	1,755,829	(37,854)	2,055,188
Operating income (loss)	(51,219)	87,225	671,548		707,554
Other income (expense):					
Interest income	98	31,476	5,292	(31,218)	5,648
Interest expense, net of amounts capitalized	(3,358)	(25,368)	(67,164)	31,218	(64,672)
Other income (expense)	(47)	339	(3,711)		(3,419)
Loss on early retirement of debt	(2,831)				(2,831)
Income from equity investments in subsidiaries	528,287	420,352		(948,639)	

Income before income taxes	470,930	514,024	605,965	(948,639)	642,280
Income tax benefit (expense)	28,012	(27,375)	(63,808)		(63,171)
Net income	498,942	486,649	542,157	(948,639)	579,109
Net income attributable to noncontrolling interests		(525)	(79,642)		(80,167)
Net income attributable to Las Vegas Sands Corp.	$ 498,942	$ 486,124	$ 462,515	$ (948,639)	$ 498,942

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2011

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 83,123	$ 1,581,366	$	$ 1,664,489
Rooms		112,874	119,100		231,974
Food and beverage		50,307	95,086		145,393
Mall			55,865		55,865
Convention, retail and other		64,543	74,194	(29,947)	108,790
		310,847	1,925,611	(29,947)	2,206,511
Less promotional allowances	(163)	(17,626)	(76,396)	(407)	(94,592)
Net revenues	(163)	293,221	1,849,215	(30,354)	2,111,919
Operating expenses:					
Casino		64,368	857,745	(577)	921,536
Rooms		32,248	16,205		48,453
Food and beverage		23,596	49,563	(1,456)	71,703
Mall			12,104		12,104
Convention, retail and other		21,153	58,478	(4,490)	75,141
Provision for doubtful accounts		6,096	28,962		35,058
General and administrative		60,732	149,973	(220)	210,485
Corporate	32,980	55	28,152	(23,611)	37,576
Pre-opening			9,471		9,471
Development	573				573
Depreciation and amortization	4,183	52,813	133,241		190,237
Amortization of leasehold interests in land			13,156		13,156
(Gain) loss on disposal of assets		(55)	554		499
	37,736	261,006	1,357,604	(30,354)	1,625,992
Operating income (loss)	(37,899)	32,215	491,611		485,927
Other income (expense):					
Interest income	557	25,275	1,292	(25,077)	2,047
Interest expense, net of amounts capitalized	(3,450)	(23,072)	(72,140)	25,077	(73,585)
Other expense		(717)	(3,958)		(4,675)
Income from equity investments in subsidiaries	328,939	277,722		(606,661)	
Income before income taxes	288,147	311,423	416,805	(606,661)	409,714
Income tax benefit (expense)	1,176	(9,052)	(37,335)		(45,211)

Net income	289,323	302,371	379,470	(606,661)	364,503
Net income attributable to noncontrolling interests			(75,180)		(75,180)
Net income attributable to Las Vegas Sands Corp.	$ 289,323	$ 302,371	$ 304,290	$ (606,661)	$ 289,323

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2012

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	$ 498,942	$ 486,649	$ 542,157	$ (948,639)	$ 579,109
Currency translation adjustment	97,831	83,269	98,878	(181,100)	98,878
Total comprehensive income	596,773	569,918	641,035	(1,129,739)	677,987
Comprehensive income attributable to noncontrolling interests		(525)	(80,689)		(81,214)
Comprehensive income attributable to Las Vegas Sands Corp.	$ 596,773	$ 569,393	$ 560,346	$ (1,129,739)	$ 596,773

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2011

	Las Vegas Sands Corp.	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	$ 289,323	$ 302,371	$ 379,470	$ (606,661)	$ 364,503
Currency translation adjustment	34,493	28,252	31,956	(62,745)	31,956
Total comprehensive income	323,816	330,623	411,426	(669,406)	396,459
Comprehensive income attributable to noncontrolling interests			(72,643)		(72,643)
Comprehensive income attributable to Las Vegas Sands Corp.	$ 323,816	$ 330,623	$ 338,783	$ (669,406)	$ 323,816