VALERO ENERGY CORP/TX
Form DEF 14A
March 19, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Valero Energy Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

VALERO ENERGY CORPORATION
NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors has determined that the 2010 Annual Meeting of Stockholders of Valero Energy Corporation will be held on Thursday, April 29, 2010, at 10:00 a.m., Central Time, at our offices located at One Valero Way, San Antonio, Texas 78249 for the following purposes:

(1) Elect three Class I directors to serve until the 2013 annual meeting of stockholders or until their respective successors are elected and have been qualified;

(2) Ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2010;

(3) Re-approve the 2005 Omnibus Stock Incentive Plan;

(4) Vote on an advisory resolution to ratify the 2009 compensation of the named executive officers listed in the proxy statement s Summary Compensation Table;

(5) Vote on a stockholder proposal entitled, Impact of Valero s Operations on Rainforest Sustainability ;

(6) Vote on a stockholder proposal entitled, Disclosure of Political Contributions/Trade Associations ;

(7) Vote on a stockholder proposal entitled, Stock Retention by Executives ; and

(8) Transact any other business properly brought before the meeting.

By order of the Board of Directors,
Jay D. Browning
Senior Vice President-Corporate Law and Secretary
Valero Energy Corporation
One Valero Way
San Antonio, Texas 78249
March 19, 2010

TABLE OF CONTENTS

GENERAL INFORMATION	1
INFORMATION REGARDING THE BOARD OF DIRECTORS	3
INDEPENDENT DIRECTORS	3
Independence Determinations	3
COMMITTEES OF THE BOARD	4
Audit Committee	4
Compensation Committee	4
Compensation Committee Interlocks and Insider Participation	4
Executive Committee	5
Finance Committee	5
Nominating/Governance Committee	5
SELECTION OF DIRECTOR NOMINEES	5
Evaluation of Director Candidates	6
LEADERSHIP STRUCTURE OF THE BOARD	6
LEAD DIRECTOR AND MEETINGS OF NON-MANAGEMENT DIRECTORS	7
RISK OVERSIGHT	7
PROPOSAL NO. 1- ELECTION OF DIRECTORS	8
INFORMATION CONCERNING NOMINEES AND OTHER DIRECTORS	8
Nominees	9
Other Directors	10
BENEFICIAL OWNERSHIP OF VALERO SECURITIES	12
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS	12
SECURITY OWNERSHIP OF MANAGEMENT AND DIRECTORS	13
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	13
COMPENSATION CONSULTANT DISCLOSURES	14
RISK ASSESSMENT OF COMPENSATION PROGRAMS	14
COMPENSATION COMMITTEE REPORT	15
COMPENSATION DISCUSSION AND ANALYSIS	15
OVERVIEW	15
ADMINISTRATION OF EXECUTIVE COMPENSATION PROGRAMS	16
Benchmarking Data	16
Process and Timing of Compensation Decisions	18
ELEMENTS OF EXECUTIVE COMPENSATION	19
General	19
Relative Size of Major Compensation Elements	20
Individual Performance and Personal Objectives	21
Base Salaries	21
Annual Incentive Bonus	22
Long-Term Incentive Awards	26
Perquisites and Other Benefits	28
Post-Employment Benefits	28
IMPACT OF ACCOUNTING AND TAX TREATMENTS	31
Accounting Treatment	31
Tax Treatment	31
COMPENSATION-RELATED POLICIES	31
Say-On-Pay Policy	31
Executive Compensation Clawback Policy	32

Compensation Consultant Disclosure Policy	32
Stock Ownership Guidelines	32
Insider Trading and Speculation in Valero Stock	33

Table of Contents

EXECUTIVE COMPENSATION	34
SUMMARY COMPENSATION TABLE	34
GRANTS OF PLAN-BASED AWARDS	37
OUTSTANDING EQUITY AWARDS	39
OPTION EXERCISES AND STOCK VESTED	42
POST-EMPLOYMENT COMPENSATION	43
PENSION BENEFITS	43
NONQUALIFIED DEFERRED COMPENSATION	45
POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL	46
PAYMENTS UNDER CHANGE OF CONTROL SEVERANCE AGREEMENTS	47
COMPENSATION OF DIRECTORS	50
DIRECTOR COMPENSATION	50
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	52
REVIEW	52
TRANSACTIONS WITH MANAGEMENT AND OTHERS	52
PROPOSAL NO. 2 RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTING FIRM	53
KPMG FEES FOR FISCAL YEAR 2009	53
KPMG FEES FOR FISCAL YEAR 2008	54
AUDIT COMMITTEE PRE-APPROVAL POLICY	54
REPORT OF THE AUDIT COMMITTEE FOR FISCAL YEAR 2009	55
PROPOSAL NO. 3 RE-APPROVAL OF OMNIBUS STOCK INCENTIVE PLAN	56
PROPOSAL NO. 4 ADVISORY RESOLUTION TO RATIFY NAMED EXECUTIVE OFFICER COMPENSATION	62
STOCKHOLDER PROPOSALS	63
PROPOSAL NO. 5 STOCKHOLDER PROPOSAL REPORT ON IMPACT OF VALERO S OPERATIONS ON RAINFOREST SUSTAINABILITY	63
PROPOSAL NO. 6 STOCKHOLDER PROPOSAL DISCLOSURE OF POLITICAL CONTRI-BUTIONS/TRADE ASSOCIATIONS	65
PROPOSAL NO. 7 STOCKHOLDER PROPOSAL STOCK RETENTION BY EXECUTIVES	67
EQUITY COMPENSATION PLAN INFORMATION	69
MISCELLANEOUS	70
GOVERNANCE DOCUMENTS AND CODES OF ETHICS	70
STOCKHOLDER COMMUNICATIONS	70
STOCKHOLDER NOMINATIONS AND PROPOSALS	70
OTHER BUSINESS	71
FINANCIAL STATEMENTS	71
HOUSEHOLDING	71
TRANSFER AGENT	71

Table of Contents

VALERO ENERGY CORPORATION
PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
GENERAL INFORMATION

Introduction

Our Board is soliciting proxies to be voted at the 2010 Annual Meeting of Stockholders on April 29, 2010 (the Annual Meeting). The accompanying notice describes the time, place, and purposes of the Annual Meeting. Action may be taken at the Annual Meeting, or on any date to which the meeting may be adjourned. Unless otherwise indicated, the terms Valero, we, our, and us are used in this proxy statement to refer to Valero Energy Corporation, to one or mor of our consolidated subsidiaries, or to all of them taken as a whole. The term Board refers to the Board of Directors of Valero Energy Corporation.

We are mailing the Notice of Internet Availability of Proxy Materials (Notice) to stockholders on or about March 19, 2010. On this date, you will have the ability to access all of our proxy materials on the website referenced in the Notice.

Record Date and Shares Outstanding

Holders of record of our common stock, $0.01 par value (Common Stock), at the close of business on March 1, 2010 (the record date) are entitled to vote on the matters presented at the Annual Meeting. On the record date, 564,951,138 shares of Common Stock were issued and outstanding and entitled to one vote per share.

Quorum

Stockholders representing a majority of voting power, present in person, or represented by properly executed proxy, will constitute a quorum.

Voting in Person at the Meeting

If you attend the Annual Meeting and plan to vote in person, we will provide you with a ballot at the meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote the shares in person at the meeting. If your shares are held in the name of your broker or other nominee, you are considered the beneficial owner of shares held in street name. As a beneficial owner, if you wish to vote at the meeting, you will need to bring to the meeting a legal proxy from the stockholder of record (*e.g.*, your broker or other nominee) authorizing you to vote the shares.

Revocability of Proxies

You may revoke your proxy at any time before it is voted at the Annual Meeting by (i) submitting a written revocation to Valero, (ii) returning a subsequently dated proxy to Valero, or (iii) attending the Annual Meeting, requesting that your proxy be revoked, and voting in person at the Annual Meeting. If instructions to the contrary are not provided, shares will be voted as indicated on the proxy card.

Table of Contents

Broker Non-Votes

Brokers holding shares must vote according to specific instructions they receive from the beneficial owners of Common Stock. If specific instructions are not received, in some cases brokers may vote these shares in their discretion. However, the New York Stock Exchange (the NYSE) precludes brokers from exercising voting discretion on certain proposals without specific instructions from the beneficial owner. This results in a broker non-vote on such a proposal. A broker non-vote is treated as present for purposes of determining a quorum, has the effect of a negative vote when a majority of the voting power of the issued and outstanding shares is required for approval of a particular proposal, and has no effect when a majority of the voting power of the shares present in person or by proxy and entitled to vote or a plurality or majority of the votes cast is required for approval.

The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2010 (Proposal No. 2), and the say-on-pay advisory vote on 2009 named executive officer compensation (Proposal No. 4) are matters considered routine under applicable NYSE rules. A broker or other nominee generally may vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposals No. 2 and No. 4.

The election of three Class I directors (Proposal No. 1), the re-approval of the 2005 Omnibus Stock Incentive Plan (Proposal No. 3), and the three stockholder proposals (Proposals No. 5, No. 6, and No. 7) are matters considered non-routine under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore an undetermined number of broker non-votes may occur on Proposal No. 1, No. 3, and Nos. 5 - 7.

Solicitation of Proxies

Valero pays for the cost of soliciting proxies and the Annual Meeting. In addition to solicitation by mail, proxies may be solicited by personal interview, telephone, and similar means by directors, officers, or employees of Valero, none of whom will be specially compensated for such activities. Valero also intends to request that brokers, banks, and other nominees solicit proxies from their principals and will pay such brokers, banks, and other nominees certain expenses incurred by them for such activities. Valero retained Georgeson Inc., a proxy soliciting firm, to assist in the solicitation of proxies, for an estimated fee of $15,000, plus reimbursement of certain out-of-pocket expenses.

For participants in our qualified 401(k) plan (Thrift Plan), the proxy card will represent (in addition to any shares held individually of record by the participant) the number of shares allocated to the participant s account in the Thrift Plan. For shares held by the Thrift Plan, the proxy card will constitute an instruction to the trustee of the plan on how those shares should be voted. Shares for which instructions are not received may be voted by the trustee per the terms of the plan.

Our 2005 and 2004 Stock Splits

Our Common Stock split two-for-one on December 15, 2005, and on October 7, 2004. Each split was effected in the form of a Common Stock dividend. All share and per share data in this proxy statement have been adjusted to reflect the effect of these stock splits for all periods presented.

Table of Contents

INFORMATION REGARDING THE BOARD OF DIRECTORS

Valero s business is managed under the direction of our Board. Our Board conducts its business through meetings of its members and its committees. Valero s Restated Certificate of Incorporation requires the Board to be divided into Class I, Class II, and Class III directors, with each class serving a staggered three-year term. During 2009, our Board held seven meetings and the standing Board committees held 24 meetings in the aggregate. No member of the Board attended less than 75% of the meetings of the Board and committees of which he or she was a member. All Board members are expected to attend the Annual Meeting. All Board members attended the 2009 annual stockholders meeting.

INDEPENDENT DIRECTORS

The Board presently has one member from our management, William R. Klesse (Chief Executive Officer, President, and Chairman of the Board), and nine non-management directors. During 2009, 10 non-management directors served on the Board (W.E. Bill Bradford retired from the Board effective January 26, 2010). The Board determined that each of its non-management directors who served at any time during 2009 met the independence requirements of the NYSE listing standards as set forth in the NYSE Listed Company Manual. Those independent directors were W.E. Bill Bradford, Ronald K. Calgaard, Jerry D. Choate, Irl F. Engelhardt, Ruben M. Escobedo, Bob Marbut, Donald L. Nickles, Robert A. Profusek, Susan Kaufman Purcell, and Stephen M. Waters. As a member of management, William R. Klesse is not an independent director under the NYSE s listing standards.

The Board s Audit, Compensation, and Nominating/Governance Committees are composed entirely of directors who meet the independence requirements of the NYSE listing standards. Each member of the Audit Committee also meets the additional independence standards for Audit Committee members set forth in regulations of the SEC.

Independence Determinations

Under the NYSE s listing standards, no director qualifies as independent unless the Board affirmatively determines that he or she has no material relationship with Valero. Based upon information requested from and provided by each director concerning their background, employment, and affiliations, including commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships, the Board has determined that, other than being a director and/or stockholder of Valero, each of the independent directors named above has either no relationship with Valero, either directly or as a partner, stockholder, or officer of an organization that has a relationship with Valero, or has only immaterial relationships with Valero, and is independent under the NYSE s listing standards.

In accordance with NYSE listing standards, the Board has adopted categorical standards or guidelines to assist the Board in making its independence determinations with respect to each director. These standards are published in Article I of Valero s *Corporate Governance Guidelines* and are available on our website at www.valero.com under the Corporate Governance tab in the Investor Relations section. Under the NYSE listing standards, immaterial relationships that fall within the guidelines are not required to be disclosed in this proxy statement. An immaterial relationship falls within the guidelines if it:

- is not a relationship that would preclude a determination of independence under Section 303A.02(b) of the NYSE Listed Company Manual;

- consists of charitable contributions by Valero to an organization where a director is an executive officer and does not exceed the greater of $1 million or 2% of the organization s gross revenue in any of the last three years;

consists of charitable contributions to any organization with which a director, or any member of a director s immediate family, is affiliated as an officer, director, or trustee pursuant to a matching gift program of Valero and made on terms applicable to employees and directors; or is in amounts that do not exceed $1 million per year; and

is not required to be, and it is not otherwise, disclosed in this proxy statement.

COMMITTEES OF THE BOARD

The Board has standing Audit, Compensation, Executive, Finance, and Nominating/Governance Committees. Each committee has a written charter. The charters are available on our website at www.valero.com under the Corporate Governance tab in the Investor Relations section. The committees of the Board and the number of meetings held by each committee in 2009 are described below.

Audit Committee

The Audit Committee reviews and reports to the Board on various auditing and accounting matters, including the quality, objectivity, and performance of our internal and external accountants and auditors, the adequacy of our financial controls, and the reliability of financial information reported to the public. Members of the Audit Committee are Ruben M. Escobedo (Chairman), Ronald K. Calgaard, Irl F. Engelhardt, Susan Kaufman Purcell, and Stephen M. Waters. The Audit Committee met seven times in 2009. The Report of the Audit Committee for Fiscal Year 2009 appears below following the disclosures related to Proposal No. 2.

The Board has determined that Ruben M. Escobedo is an audit committee financial expert (as defined by the SEC), and that he is independent as independence for audit committee members is defined in the NYSE Listing Standards. For further information regarding Mr. Escobedo s experience, see Proposal No. 1 Election of Directors Information Concerning Nominees and Other Directors.

Compensation Committee

The Compensation Committee reviews and reports to the Board on matters related to compensation strategies, policies, and programs, including certain personnel policies and policy controls, management development, management succession, and benefit programs. The Compensation Committee also approves and administers our equity compensation plans and incentive bonus plan. The Compensation Committee s duties are described more fully in the Compensation Discussion and Analysis section below. The Compensation Committee has, for administrative convenience, delegated authority to Valero s Chief Executive Officer to make non-material amendments to Valero s benefit plans and to make limited grants of stock options and restricted stock to new hires who are not executive officers.

During 2009, members of the Compensation Committee were Bob Marbut (Chairman), W.E. Bill Bradford, Jerry D. Choate, and Robert A. Profusek. The Compensation Committee met six times and held one joint meeting with the Nominating/Governance Committee in 2009. Donald L. Nickles was appointed to the Compensation Committee effective January 26, 2010, upon Mr. Bradford s retirement from the Board. The Compensation Committee Report for fiscal year 2009 appears below, immediately preceding Compensation Discussion and Analysis.

Compensation Committee Interlocks and Insider Participation

There are no compensation committee interlocks. None of the members of the Compensation Committee listed above has served as an officer or employee of Valero or had any relationship requiring disclosure by Valero under Item 404 of the SEC s Regulation S-K, which addresses related person transactions.

Table of Contents

Executive Committee

The Executive Committee exercises the power and authority of the Board during intervals between meetings of the Board. With limited exceptions specified in Valero s bylaws and under Delaware law, actions taken by the Executive Committee do not require Board ratification. Members of the Executive Committee are William R. Klesse (Chairman), Jerry D. Choate, Irl F. Engelhardt, Ruben M. Escobedo, and Bob Marbut. The Executive Committee met once in 2009.

Finance Committee

The Finance Committee reviews and monitors the investment policies and performance of our Thrift Plan and pension plans, insurance and risk management policies and programs, and finance matters and policies as needed. During 2009, the members of the Finance Committee were Irl F. Engelhardt (Chairman), Ruben M. Escobedo, Bob Marbut, Donald L. Nickles, Susan Kaufman Purcell, and Stephen M. Waters. The Finance Committee met three times in 2009. Donald L. Nickles left the Finance Committee effective January 26, 2010, to join the Compensation Committee.

Nominating/Governance Committee

The Nominating/Governance Committee evaluates policies on the size and composition of the Board and criteria and procedures for director nominations, and considers and recommends candidates for election to the Board. The Committee also evaluates, recommends, and monitors corporate governance guidelines, policies and procedures, including our codes of business conduct and ethics. During 2009, the members of the Nominating/Governance Committee were Jerry D. Choate (Chairman), W.E. Bill Bradford, Ronald K. Calgaard, Donald L. Nickles, and Robert A. Profusek. Mr. Bradford left the Committee effective January 26, 2010, in connection with his retirement from the Board. The Committee met four times, and held one joint meeting with the Compensation Committee, in 2009.

The Nominating/Governance Committee recommended Ruben M. Escobedo, Bob Marbut, and Robert A. Profusek to the Board as nominees for election as Class I directors at the Annual Meeting. The Committee also considered and recommended the appointment of a lead director to preside at meetings of the independent directors without management (see Information Regarding the Board of Directors Lead Director and Meetings of Non-Management Directors), and recommended assignments for the committees of the Board. The full Board approved the recommendations of the Nominating/Governance Committee and adopted resolutions approving the slate of director nominees to stand for election at the Annual Meeting, the appointment of a lead director, and assignments for the committees of the Board.

SELECTION OF DIRECTOR NOMINEES

The Nominating/Governance Committee solicits recommendations for potential Board candidates from a number of sources, including members of the Board, Valero s officers, individuals personally known to the members of the Board, and third-party research. In addition, the Committee will consider candidates submitted by stockholders when submitted in accordance with the procedures described in this proxy statement under the caption Miscellaneous Stockholder Nominations and Proposals. The Committee will consider all candidates identified through the processes described above and will evaluate each of them on the same basis. The level of consideration that the Committee will extend to a stockholder s candidate will be commensurate with the quality and quantity of information about the candidate that the nominating stockholder makes available to the Committee.

Table of Contents

Evaluation of Director Candidates

The Nominating/Governance Committee is responsible for assessing the skills and characteristics that candidates for election to the Board should possess, as well as the composition of the Board as a whole. The assessments include qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of skills and expertise in the context of the needs of the Board.

Each candidate must meet certain minimum qualifications, including:

- independence of thought and judgment;
- the ability to dedicate sufficient time, energy and attention to the performance of her or his duties, taking into consideration the candidate s service on other public company boards; and
- skills and expertise complementary to those of the existing Board members; in this regard, the Board will consider its need for operational, managerial, financial, governmental affairs, or other relevant expertise.

The Nominating/Governance Committee also considers diversity concepts such as race, gender, and national origin, as well as the ability of a prospective candidate to work with the then-existing interpersonal dynamics of the Board and the candidate s ability to contribute to the collaborative culture among Board members.

Based on this initial evaluation, the Committee will determine whether to interview the candidate, and if warranted, will recommend that one or more of its members, other members of the Board, or senior management, as appropriate, interview the candidate in person or by telephone. After completing this evaluation and interview process, the Committee ultimately determines its list of nominees and submits the list to the full Board for consideration and approval.

LEADERSHIP STRUCTURE OF THE BOARD

As prescribed by our bylaws, the Chairman of the Board has the power to preside at all meetings of the Board. William R. Klesse, our Chief Executive Officer and President, serves as the Chairman of our Board of Directors. For most of Valero s history, the same individual has served as both Chairman of the Board and Chief Executive Officer of Valero. Although the Board believes that the combination of the Chairman and Chief Executive Officer roles is appropriate in the current circumstances, Valero s *Corporate Governance Guidelines* do not establish this approach as a policy, and in fact, the Chairman and Chief Executive Officer roles were separate from 2005-2007.

The Chief Executive Officer is appointed by the Board to manage Valero s daily affairs and operations. We believe that Mr. Klesse s extensive industry experience and direct involvement in Valero s operations make him best suited to serve as Chairman in order to (i) lead the Board in productive, strategic planning, (ii) determine necessary and appropriate agenda items for meetings of the Board with input from the Lead Director and Board committee chairpersons, and (iii) determine and manage the amount of time and information devoted to discussion and analysis of agenda items and other matters that may come before the Board. Our Board structure also fosters strong oversight by independent directors. Mr. Klesse is the only member of management (past or present) who serves on the Board, and all of the other directors are fully independent. Each of the committees of the Board (except for the Executive Committee, which meets infrequently) is chaired by an independent director.

Table of Contents

LEAD DIRECTOR AND MEETINGS OF NON-MANAGEMENT DIRECTORS

Our Board appoints a Lead Director, whose responsibilities include leading the meetings of the non-management members of our Board outside the presence of management. Our Board regularly meets in executive session outside the presence of management, generally at each Board meeting. Following the recommendation of the Nominating/Governance Committee, the Board designated Robert A. Profusek to serve as the Lead Director during 2010. Mr. W.E. Bill Bradford served as Lead Director during 2009. The Lead Director, working with committee chairpersons, sets the agenda and leads the discussion of regular meetings of the board outside the presence of management, provides feedback regarding these meetings to the Chairman, and otherwise serves as liaison between the independent directors and the Chairman. If necessary, the Lead Director is also responsible for receiving, reviewing, and acting upon communications from stockholders or other interested parties when those interests should be addressed by a person independent of management. The Board believes that this approach appropriately and effectively complements Valero s combined Chief Executive Officer/Chairman structure.

RISK OVERSIGHT

The Board considers oversight of Valero s risk management efforts to be a responsibility of the entire board. The Board s role in risk oversight includes receiving regular reports from members of senior management on areas of material risk to Valero, or to the success of a particular project or endeavor under consideration, including operational, financial, legal and regulatory, strategic and reputational risks. The full Board (or the appropriate Committee, in the case of risks that are under the purview of a particular Committee) receives these reports from the appropriate members of management to enable the Board (or Committee) to understand Valero s risk identification, risk management, and risk mitigation strategies. When a report is vetted at the Committee level, the chairperson of that Committee subsequently reports on the matter to the full Board. This enables to the Board and its Committees to coordinate the Board s risk oversight role. The Board also believes that risk management is an integral part of Valero s annual strategic planning process, which addresses, among other things, the risks and opportunities facing Valero.

Part of the Audit Committee s responsibilities, as set forth in its charter, is to discuss with management Valero s major financial risk exposures and the steps management has taken to monitor and control those exposures, including Valero s risk assessment and risk management policies. In this regard, Valero s chief audit officer prepares annually a comprehensive risk assessment report and reviews that report with the Audit Committee. This report identifies the material business risks for Valero, and identifies Valero s internal controls that respond to and mitigate those risks. Valero s management regularly evaluates these controls, and the Audit Committee is provided regular updates regarding the effectiveness of the controls. Also, the Finance Committee shares responsibilities with respect to risk oversight. The Finance Committee regularly reviews with management Valero s financial arrangements, capital structure, and its access to capital markets. It also oversees allocation policies with respect to Valero s pension assets, as well as the performance of investments in Valero s pension and other benefit plans. The Audit Committee and the Finance Committee regularly report to the full Board.

Table of Contents

PROPOSAL NO. 1
ELECTION OF DIRECTORS

(Item 1 on the Proxy Card)

Our Board is divided into three classes for purposes of election. Three Class I directors will be elected at the Annual Meeting to serve a three-year term expiring at the 2013 annual meeting of stockholders. Nominees for Class I directors are Ruben M. Escobedo, Bob Marbut, and Robert A. Profusek. The persons named on the proxy card intend to vote for the election of each of these nominees unless you direct otherwise on your proxy card.

The Board recommends that stockholders vote FOR all nominees.

In accordance with Valero s bylaws, each director to be elected under this Proposal No. 1 shall be elected by the vote of the majority of the votes cast at the Annual Meeting if a quorum is present. For purposes of this election, a majority of the votes cast shall mean that the number of shares voted for a director s election exceeds 50 percent of the number of votes cast with respect to that director s election. With respect to each nominee, votes cast shall include votes to withhold authority and shall exclude abstentions.

If any nominee is unavailable as a candidate at the time of the Annual Meeting, either the number of directors constituting the full Board will be reduced to eliminate the resulting vacancy, or the persons named as proxies will use their best judgment in voting for any available nominee. The Board has no reason to believe that any current nominee will be unable to serve.

INFORMATION CONCERNING NOMINEES AND OTHER DIRECTORS

The following table describes (i) each nominee for election as a director at the Annual Meeting, and (ii) the other members of the Board whose terms expire in 2011 and 2012. The information provided is based partly on data furnished by the directors and partly on Valero s records. There is no family relationship among any of the executive officers, directors, or nominees for director of Valero.

	Executive Officer or Director Since (1)	*Age as of 12/31/09*	*Director Class (2)*
Nominees			
Ruben M. Escobedo, *Director*	1994	72	I
Bob Marbut, *Director*	2001	74	I
Robert A. Profusek, *Director*	2005	59	I
Other Directors			
Ronald K. Calgaard, *Director*	1996	72	II
Irl F. Engelhardt, *Director*	2006	63	II
Stephen M. Waters, *Director*	2008	63	II
Jerry D. Choate, *Director*	1999	71	III
William R. Klesse, *Chairman of the Board*, *Chief Executive Officer, and President*	2001	63	III
Donald L. Nickles, *Director*	2005	61	III
Susan Kaufman Purcell, *Director*	1994	67	III

Footnotes:

(1) Dates reported include service on the Board of Directors of Valero s former parent company prior to Valero s separation from that company in 1997.

(2) If elected, the terms of office of the Class I directors will expire at the 2013 Annual Meeting. The terms of office of the Class II directors will expire at the 2011 Annual Meeting, and the terms of office of the Class III

directors will expire at the 2012 Annual Meeting.

Nominees

Mr. Escobedo is a Certified Public Accountant. He owned and operated his public accounting firm, Ruben Escobedo & Company, CPAs, in San Antonio, Texas since its formation in 1977 through 2007. Mr. Escobedo also serves as a director of Cullen/Frost Bankers, Inc. He has served as a director of Valero or its former parent company since 1994. Mr. Escobedo s pertinent experience, qualifications, attributes, and skills include: public accounting and financial reporting expertise (including extensive experience as a certified public accountant), managerial experience attained from serving as chief executive of his own accounting firm, the knowledge and experience he has attained from service on another public company board, and the knowledge and experience he has attained from his service on Valero s Board since 1994.

Mr. Marbut is a director of and is Executive Chairman of Electronics Line 3000 Ltd., a provider of wireless security with remote management solutions. He is a director of Tupperware Brands Corporation. Mr. Marbut was previously founder, a director and Chief Executive Officer of SECTecGLOBAL, Inc. from 2002 through 2006. He was also previously a director of Hearst-Argyle Television, Inc. from 1997 until 2009 and a director and Chief Executive Officer of Argyle Security, Inc. from 2005 until January 2010. He served as a director of UDS since 1990, and has served as a director of Valero since Valero s acquisition of Ultramar Diamond Shamrock Corporation (UDS) in 2001. Mr. Marbut s pertinent experience, qualifications, attributes, and skills include: managerial experience he has attained serving as chief executive officer and chairman of other public companies, the experience he has attained from service on other public company boards, and the knowledge and experience he has attained through his service on the UDS or Valero Board since 1990.

Table of Contents

Mr. Profusek is a partner, and heads the mergers and acquisitions department, of the Jones Day law firm. His law practice focuses on mergers, acquisitions, takeovers, restructurings, and corporate governance matters, including compensation. Mr. Profusek is also a director of CTS Corporation. He has served as a director of Valero since 2005. Mr. Profusek s pertinent experience, qualifications, attributes, and skills include: legal expertise in corporate law matters, including governance and compensation; capital markets expertise attained through his extensive experience in mergers and acquisitions; managerial experience attained through his leadership roles with the Jones Day law firm; the knowledge and experience he has attained through his service on another public company board; and the knowledge and experience he has attained through his service on Valero s Board since 2005.

Other Directors

Dr. Calgaard is Chairman of the Ray Ellison Grandchildren Trust in San Antonio, Texas. He was formerly Chairman and Chief Executive Officer of Austin Calvert & Flavin Inc., a San Antonio-based investment management firm, from 2000 to February 2006. Dr. Calgaard served as President of Trinity University, San Antonio, Texas, from 1979 until his retirement in 1999. He is also a director of The Trust Company, N.A. and served as its Chairman from June 1999 until January 2000. Dr. Calgaard has served as a director of Valero or its former parent company since 1996. Dr. Calgaard s pertinent experience, qualifications, attributes, and skills include: a Ph.D in economics, financial literacy and expertise gained through his experience with an investment management firm, managerial experience attained through his service as Chief Executive Officer of an investment management firm and as President of Trinity University, the knowledge and experience he has attained through his service on other public company boards, and the knowledge and experience he has attained through his service on Valero s Board since 1996.

Mr. Choate retired from Allstate Corporation, an insurance company, at the end of 1998 where he had served as Chairman of the Board and Chief Executive Officer since 1995. Mr. Choate also serves as a director of Amgen, Inc. and Van Kampen Mutual Funds. He has served as a director of Valero since 1999. Mr. Choate s pertinent experience, qualifications, attributes, and skills include: financial literacy and managerial experience attained through his service as Chief Executive Officer and Chairman of Allstate Corporation, the knowledge and experience he has attained through service on the board of other public companies, and the knowledge and experience he has attained through his service on Valero s Board since 1999.

Mr. Engelhardt is Chairman of the Board and Executive Advisor of Patriot Coal Corporation. Mr. Engelhardt served as Chief Executive Officer of Peabody Energy Corporation or its predecessor companies from 1990 to December 2005 and as its Chairman of the Board from 1993 to October 2007. He served as Co-Chief Executive Officer of The Energy Group (composed of Eastern Electricity in the United Kingdom, Peabody in the U.S. and Australia, and Citizens power in the U.S.) from 1997 to 1998, Chairman of Suburban Propane Company from 1995 to 1996, Chairman of Cornerstone Construction and Materials from 1994 to 1995, Director and Group Vice President of Hanson Industries from 1995 to 1996, and Chairman of the Federal Reserve Bank of St. Louis from 2007 to 2008. Mr. Engelhardt is also a director of The Williams Companies, Inc. He has served as a director of Valero since 2006. Mr. Engelhardt s pertinent experience, qualifications, attributes, and skills include: financial literacy and managerial experience attained through his service as Chief Executive Officer and Chairman of the Board of Peabody Energy Corporation, the knowledge and experience he has attained through service on the board of other public companies, and the knowledge and experience he has attained through his service on Valero s Board since 2006.

Mr. Klesse is Valero s Chairman of the Board, Chief Executive Officer, and President. He was elected Chairman of the Board in January 2007, and was elected President in January 2008. He previously served as Valero s Chief Executive Officer and Vice Chairman of the Board since the end of 2005. He served as Valero s Executive Vice President and Chief Operating Officer from 2003 through 2005, and as Executive Vice President-Refining and Commercial Operations since Valero s acquisition of UDS in 2001. Mr. Klesse s pertinent experience, qualifications, attributes, and skills include: his experience in virtually every aspect of the refining industry for over 40 years, including his approximately 23 years of service with UDS and Valero; and the knowledge and experience he has attained through his service on Valero s Board since 2005, and as its Chairman of the Board since 2007.

Senator Nickles retired in January 2005 as U.S. Senator from Oklahoma after serving in the U.S. Senate for 24 years. He had also served in the Oklahoma State Senate for two years. During his tenure as a U.S. Senator, he was Assistant Republican Leader for six years, Chairman of the Republican Senatorial Committee, and Chairman of the Republican Policy Committee. He served as Chairman of the Budget Committee, and as a member of the Finance and Energy and Natural Resources Committees. In 2005, he formed and is the Chairman and Chief Executive Officer of The Nickles Group, a Washington-based consulting and business venture firm. Senator Nickles also serves on the Board of Directors of Chesapeake Energy Corporation; Washington Mutual Investors Fund; JP Morgan Value Opportunities Fund; and American Funds Tax Exempt Series I. He is formerly a director of Fortress International Group, Inc. He has served as a director of Valero since 2005. His pertinent experience, qualifications, attributes, and skills include: the extensive political, legislative and regulatory knowledge and expertise attained through his 24 years of service as a U.S. Senator; the experience attained through his service on the boards of other public companies; the knowledge and experience he has attained from serving as founder and chief executive officer of a consulting and business venture firm; and the knowledge and experience he has attained through his service on Valero s Board since 2005.

Dr. Purcell is Director of the Center for Hemispheric Policy at the University of Miami. The Center examines political, economic, financial, trade, and security issues in Latin America, as well as U.S. - Latin America relations. Dr. Purcell previously served as Vice President of the Council of the Americas, a non-profit business organization of mainly Fortune 500 companies with investments in Latin America, and of the Americas Society, a non-profit educational institution, both in New York City. Until 2005, she served on the boards of Scudder Global High Income Fund, Scudder New Asia Fund, The Brazil Fund, and Scudder Global Commodities Stock Fund, Inc. Dr. Purcell has been a director of Valero or its former parent company since 1994. Dr. Purcell s pertinent experience, qualifications, attributes, and skills include: economic, political and international relations expertise attained through her experience with the University of Miami, the Council of Americas, and the Americas Society; a Ph.D in political science;, financial literacy and experience attained through her service on the boards and audit committees of several closed-end mutual funds; and the knowledge and experience she has attained through her service on Valero s Board since 1994.

Mr. Waters has been the managing partner of Compass Advisers LLP and its predecessor partnership since 1996 and the Chief Executive of Compass Partners European Equity Fund since 2005. From 1988 to 1996, he served in several capacities at Morgan Stanley, including Co-Head of the Mergers and Acquisitions department from 1990 to 1992, Co-Chief Executive Officer of Morgan Stanley Europe from 1992 to 1996, and as a member of the firm s worldwide Firm Operating Committee from 1992 to 1996. From 1974 to 1988, he was with Lehman Brothers, co-founding the Mergers and Acquisitions department in 1977, becoming a partner in 1980 and serving as Co-Head of the Mergers and Acquisitions department from 1985 to 1988. Mr. Waters is also a director of Boston Private Financial Holdings, Chairman of the Advisory Board of the Boston University School of Public Health, Chairman of the United States Naval Institute, and Co-Chairman of the Harvard College Fund. He has served as a director of Valero since 2008. His pertinent experience, qualifications, attributes, and skills include: financial literacy and expertise, capital markets expertise, and managerial experience gained through his mergers

Table of Contents

and acquisitions experience and leadership roles with investment banking firms, Lehman Brothers, Morgan Stanley, and Compass Advisers LLP; and the knowledge and experience he has attained through his service on other public company boards.

For information regarding the nominees holdings of Common Stock, compensation, and other arrangements, see Information Regarding the Board of Directors, Beneficial Ownership of Valero Securities, Compensation Discussion and Analysis, Executive Compensation, and Certain Relationships and Related Transactions.

BENEFICIAL OWNERSHIP OF VALERO SECURITIES

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table presents information regarding each person, or group of affiliated persons, we know to be a beneficial owner of more than five percent of our Common Stock as of February 1, 2010. The information is based solely upon reports filed by such persons with the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York NY 10022	33,352,582(1)	5.91%
AXA Financial, Inc. 1290 Avenue of the Americas New York, NY 10104	32,109,811(2)	5.70%

(1) BlackRock, Inc. filed with the SEC an amended Schedule 13G on January 20, 2010, reporting that it or certain of its affiliates beneficially owned in the aggregate 33,352,582 shares, and that it had sole voting power and sole dispositive power with respect to 33,352,582 shares.

(2) AXA Financial, Inc. filed with the SEC

(pursuant to a joint filing agreement among AXA Financial, Inc., AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, and AXA) a Schedule 13G on February 12, 2010, reporting that it or certain of its affiliates beneficially owned in the aggregate 32,109,811 shares, that it had sole voting power with respect to 23,877,058 shares and sole dispositive power with respect to 32,109,811 shares.

Table of Contents

SECURITY OWNERSHIP OF MANAGEMENT AND DIRECTORS

The following table presents information as of February 1, 2010 regarding Common Stock beneficially owned (or deemed to be owned) by each nominee for director, each current director, each executive officer named in the Summary Compensation Table, and all current directors and executive officers of Valero as a group. No executive officer, director, or nominee for director owns any class of equity securities of Valero other than Common Stock. None of the shares listed below are pledged as security. The address for each person is One Valero Way, San Antonio, Texas 78249.

Name of Beneficial Owner	Shares Held (1)	Shares Under Options (2)	Total Shares	Percent of Class
Kimberly S. Bowers	79,530	39,125	118,655	0.02%
Ronald K. Calgaard	32,959	13,000	45,959	*
Jerry D. Choate	51,883	33,000	84,883	*
Michael S. Ciskowski	274,153	99,392	373,545	0.07%
Irl F. Engelhardt	26,708	5,000	31,708	*
Ruben M. Escobedo	21,756	0	21,756	*
Joseph W. Gorder	101,352	47,259	148,611	0.03%
William R. Klesse	874,860	574,741	1,449,601	0.26%
Bob Marbut	40,926	71,120	112,046	*
Richard J. Marcogliese	237,821	297,209	535,030	0.09%
Donald L. Nickles	14,683	11,000	25,683	*
Robert A. Profusek	14,544	11,000	25,544	*
Susan Kaufman Purcell	13,650	29,000	42,650	*
Stephen M. Waters	11,178	10,000	21,178	*
Directors and executive officers as a group (15 persons)	1,870,124	1,265,781	3,135,905	*

* Indicates that the percentage of beneficial ownership of the directors, nominees, and by all directors and executive officers as a group does not exceed 1% of the class.

(1) Includes shares allocated under the Thrift Plan through January 31, 2010, and shares of restricted stock. Restricted

stock may not be disposed of until vested. This column does not include shares that could be acquired under options, which are reported in the column captioned "Shares Under Options."

(2) Represents shares of Common Stock that may be acquired under outstanding stock options currently exercisable and that are exercisable within 60 days from February 1, 2010. Shares subject to options may not be voted unless the options are exercised. Options that may become exercisable within such 60-day period only in the event of a change of control of Valero are excluded.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers, directors, and greater than 10 percent stockholders to file with the SEC certain reports of ownership and changes in ownership of our Common Stock. Based on a review of the copies of such forms received and written representations from certain reporting persons, we believe that during the year ended December 31, 2009, all Section 16(a) reports applicable to our executive officers, directors and greater than 10 percent stockholders were timely filed.

13

COMPENSATION CONSULTANT DISCLOSURES

In 2009, the Compensation Committee retained Towers Perrin (now doing business as Towers Watson) as an independent compensation consultant. In its role as an advisor to the Compensation Committee, Towers Perrin was retained directly by the Committee, which, in its sole discretion, has the authority to select, retain, and/or terminate its relationship with the consulting firm. In 2009, Towers Perrin provided the Committee with objective and expert analyses, independent advice, and information with respect to executive and director compensation. Towers Perrin received $589,718 in professional fees for its executive and director compensation services to the Committee during 2009. Towers Perrin did not provide other consulting services to the Committee, to Valero, or to any senior executives of Valero in 2009.

During 2009, Towers Perrin s executive and director compensation consulting services included:

- Assistance with the determination of appropriate peer and comparator companies for benchmarking executive pay and monitoring Valero s performance;
- Assistance with the determination of Valero s overall executive compensation philosophy in light of Valero s business strategy and market considerations;
- Competitive pay assessment of target and actual total direct compensation for executives, with separate analyses of base salary, annual incentive, and long-term incentive compensation;
- Competitive pay assessment of director compensation;
- Assessment of, and recommendation of enhancements to, Valero s annual incentive program with respect to both financial and operational performance metrics;
- Recommendations for Valero s long-term incentive program strategy, including the appropriate mix of equity incentive vehicles and determination of competitive equity grant guidelines consistent with Valero s overall pay philosophy;
- Independent assessment of the risk profile of Valero s executive incentive plans to assess whether such plans encourage excessive financial risk on the part of plan participants; and
- Updates on trends and developments in executive compensation, new regulatory issues, and best practices.

RISK ASSESSMENT OF COMPENSATION PROGRAMS

During 2009, the Compensation Committee, assisted by Towers Perrin, conducted a risk assessment of Valero s compensation programs. The Committee concluded that, viewed holistically, Valero s incentive compensation programs effectively balance risk and reward. The scope of the risk review included an assessment of both the annual incentive plan for management as well as long-term incentives pursuant to the 2005 Omnibus Stock Incentive Plan, and included an analysis of the mix of award opportunities (*i.e.*, short-vs. long-term), performance targets and metrics, the target-setting process, and the administration and governance associated with the plans. Features of our compensation programs that we believe mitigate excessive risk taking include:

- the mix between fixed and variable, annual and long-term, and cash and equity compensation, designed to encourage strategies and actions that are in Valero s long-term best interests,
- determination of incentive awards based on a variety of indicators of performance, thus diversifying the risk associated with a single indicator of performance,

Table of Contents

multi-year vesting periods for equity incentive awards, which encourage focus on sustained growth and earnings, and

our compensation-related policies, including the executive compensation clawback policy and stock retention guidelines (discussed below under the caption Compensation Discussion and Analysis Compensation Related Policies).

The following Compensation Committee Report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference into any of Valero s filings under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, respectively, whether made before or after the date of this proxy statement and irrespective of any general incorporation language therein. Donald L. Nickles was appointed to the Compensation Committee in 2010, and is therefore not listed below the Compensation Committee Report pertaining to the fiscal year ended December 31, 20ft"> (44,599)

Purchases of investments
(173,774)
Proceeds from investments
173,774

Net cash used in investing activities
(492,122) (2,525,717)

Cash flows from financing activities:

Proceeds from exercise of stock options
22,412 6,396
Proceeds from exercise of warrants
9,662 5
Dividends paid to preferred stockholders
(57,957) (70,050)
Distributions to noncontrolling interests
(7,806)
Proceeds from long-term debt (Note 3)
1,399,157
Repayments on long-term debt (Note 3)
(399,403) (2,524,602)
Repurchase of preferred stock
(64,949)
Payments of preferred stock inducement premium
(16,494)
Payments of deferred financing costs
(6,076) (65,823)

Net cash used in financing activities
(520,611) (1,254,917)

Effect of exchange rate on cash

	(1,946)	11,932
Increase (decrease) in cash and cash equivalents	914,494	(2,560,704)
Cash and cash equivalents at beginning of period	3,037,081	4,955,416
Cash and cash equivalents at end of period	$3,951,575	$2,394,712

6

Table of Contents

Condensed Consolidated Statements of Cash Flows

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
	(In thousands) (Unaudited)	
Supplemental disclosure of cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 203,183	$ 205,343
Cash payments for taxes, net of refunds	$ (5,582)	$ 175
Changes in construction payables	$ (161,295)	$ (207,574)
Non-cash investing and financing activities:		
Capitalized stock-based compensation costs	$ 692	$ 2,187
Property and equipment acquired under capital lease	$	$ 3,549
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	$ 69,408	$ 69,408
Acquisition of remaining shares of noncontrolling interest	$	$ 2,345
Disposition of interest in majority owned subsidiary	$ 829	$
Warrants exercised and settled through tendering of preferred stock	$ 66,625	$ 4

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

7

Table of Contents

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, 2010. 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 Macau Special Administrative Region (Macau) 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

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; an enclosed retail, dining and entertainment complex located within The Venetian Las Vegas of approximately 440,000 net leasable square feet (The Grand Canal Shoppes), which was sold to GGP Limited Partnership (GGP) in 2004; and an enclosed retail and dining complex located within The Palazzo of approximately 400,000 net leasable square feet (The Shoppes at The Palazzo), which was sold to GGP in February 2008. See Note 2 Property and Equipment, Net regarding the sale of The Shoppes at The Palazzo.

Pennsylvania

In May 2009, the Company partially opened 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, which include table games operations that commenced in July 2010; a 300-room hotel tower, which opened in May 2011; an arts and cultural center; and the broadcast home of the local PBS affiliate. The Company has initiated construction activities on the remaining components of the integrated resort, which include a 150,000-square-foot retail facility (with a progressive opening beginning in November 2011) and 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 of 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 of the retail portion of the property through its ownership interest in Sands Bethworks Retail LLC. As of September 30, 2011, the Company has capitalized construction costs of $695.2 million for this project (including $6.6 million in outstanding construction payables). The Company expects to spend approximately $30 million to complete construction of the project, on furniture, fixtures and equipment (FF&E) and other costs, and to pay outstanding construction payables, as noted above.

Macau

The Company currently owns 70.3% of SCL, which includes the operations of the Sands Macao, The Venetian Macao, Four Seasons Macao 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.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

The Company owns and operates the Sands Macao, the first Las Vegas-style casino in Macau. 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.

The Company also 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 in Macau. With a theme similar to that of The Venetian Las Vegas, The Venetian Macao includes a 39-floor luxury hotel with over 2,900 suites; approximately 550,000 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, the Four Seasons Macao), which features approximately 70,000 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 subsequently monetize units within the Four Seasons Apartments subject to market conditions and obtaining the necessary government approvals. As of September 30, 2011, the Company has capitalized $1.15 billion for the property, including the land premium (net of amortization) and $7.9 million in outstanding construction payables. The Company expects to spend approximately $105 million primarily on additional costs to complete the Four Seasons Apartments, including FF&E and pre-opening costs, and to pay outstanding construction payables, as noted above.

Singapore

The Company owns and operates the Marina Bay Sands in Singapore, which partially opened on April 27, 2010, with additional portions opened progressively throughout 2010. The Marina Bay Sands 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 and theaters. In February 2011, the Marina Bay Sands opened a landmark iconic structure at the bay-front promenade that contains an art/science museum. As of September 30, 2011, the Company has capitalized 7.66 billion Singapore dollars (SGD, approximately $5.91 billion at exchange rates in effect on September 30, 2011) in costs for this project, including the land premium and SGD 190.5 million (approximately $147.1 million at exchange rates in effect on September 30, 2011) in outstanding construction payables. The Company expects to spend approximately SGD 475 million (approximately $367 million at exchange rates in effect on September 30, 2011) on construction-related costs, FF&E and other costs, and to pay outstanding construction payables, as noted above. As the Company has obtained Singapore-denominated financing and primarily pays its costs in Singapore dollars, its exposure to foreign exchange gains and losses is expected to be minimal.

Development Projects

The Company has suspended portions of its development projects to focus its efforts on those projects with the highest expected rates of return on invested capital. 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. In addition, the Company may be subject to penalties under the termination clauses in its construction contracts or termination rights under its management contracts with certain hotel management companies.

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 and expects that it will take approximately 18 months thereafter to complete construction of the project. As of September 30, 2011, the Company has capitalized construction costs of $178.0 million for this project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty.

**LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)**

Macau

The Company submitted plans to the Macau government for its other Cotai Strip developments, which represent three integrated resort developments, in addition to The Venetian Macao and Four Seasons Macao, on an area of approximately 200 acres (which are referred to as Sands Cotai Central (formerly parcels 5 and 6) and parcels 3 and 7 and 8). Subject to the approval from the Macau government, as discussed further below, the developments are expected to include hotels, exhibition and conference facilities, gaming areas, showrooms, shopping malls, spas, restaurants, entertainment facilities and other amenities. The Company had commenced construction or pre-construction activities on these developments and plans to operate the related gaming areas under the Company s Macau gaming subconcession.

The Company is staging the construction of its Sands Cotai Central integrated resort development. Upon completion of phases I and II of the project, the integrated resort is expected to 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 exhibition and conference facilities, and a multipurpose theater. Phase I, which is currently expected to open at the end of the first quarter of 2012, includes a hotel tower on parcel 5 that was to be managed by Shangri-La International Hotel Management Limited (Shangri-La); however, in March 2011, the Company and Shangri-La mutually agreed to terminate the hotel management agreement. The hotel tower will now be managed by Hilton Worldwide, which will include 600 five-star rooms and suites under their Conrad brand, and InterContinental Hotels Group, which will include 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 its 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 dining, entertainment, retail 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. The total cost to complete phases I and II is expected to be approximately $1.6 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 its St. Regis brand and the total cost 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 September 30, 2011, the Company has capitalized costs of $2.73 billion for the entire project, including the land premium (net of amortization) and $183.9 million in outstanding construction payables. The Company s management agreement with Starwood imposes certain construction deadlines and opening obligations on the Company and certain past and/or anticipated delays, as described above, would allow Starwood to terminate its agreement. See " Note 9 Commitments and Contingencies Other Agreements. The Company is currently negotiating an amendment to the management agreement with Starwood to provide for new opening timelines.

The Company had commenced pre-construction activities on parcels 7 and 8 and 3, and has capitalized costs of $100.7 million for parcels 7 and 8 and $96.2 million for parcel 3 (including the land premium, net of amortization) as of September 30, 2011. The Company intends to commence construction after Sands Cotai Central is complete, necessary government approvals are obtained (including the land concession, see below), regional and global economic conditions improve, future demand warrants it and additional financing is obtained.

The impact of the delayed construction on the Company s previously estimated cost to complete its Cotai Strip developments is currently not determinable. As of September 30, 2011, the Company has capitalized an aggregate of $7.11 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 Macau credit facility entered into in September 2011 (the 2011 VML Credit Facility, as discussed further below), 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 any of the additional financing required.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Land concessions in Macau generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macau law. The Company has received land concessions from the Macau government to build on parcels 1, 2, 3 and 5 and 6, including the sites on which The Venetian Macao (parcel 1), the Four Seasons Macao (parcel 2) and Sands Cotai Central (parcels 5 and 6) are located. The Company does not own these land sites in Macau; 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 Macau government or in seven semi-annual installments (provided that the outstanding balance is due upon the completion of the corresponding integrated resort), as well as annual rent for the term of the land concessions. In December 2010, the Company received notice from the Macau 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 Macau for a review of the decision. In January 2011, the Company filed an appeal with the Court of Second Instance in Macau, which has yet to issue a decision. Should the Company win its appeal, it is still possible for the Chief Executive of Macau 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 $100.7 million in capitalized construction costs, as of September 30, 2011, 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 Macau 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 believes that if it is not able to complete the developments by the respective deadlines, it will likely be able to obtain extensions from the Macau government; however, no assurances can be given that additional extensions will be granted. If the Company is unable to meet the applicable deadlines and those deadlines 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 $96.2 million and $2.73 billion in capitalized construction costs and land premiums (net of amortization), as of September 30, 2011, related to its developments on parcel 3 or Sands Cotai Central, respectively.

Other

When the current economic environment and access to capital improve, the Company may continue exploring the possibility of developing and operating additional properties, including integrated resorts, in additional Asian and U.S. jurisdictions, and in Europe.

Development Financing Strategy

Through September 30, 2011, the Company has funded its development projects primarily through borrowings under its U.S., Macau 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 6.0x for the quarterly periods ended September 30 and December 31, 2011, decreases to 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. One of the Company s Macau credit facilities, the VML credit facility, as amended in August 2009, requires certain of the Company s Macau operations to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 3.0x for the quarterly periods through maturity. The Company can elect to contribute up to $50 million and $20 million of cash on hand to its Las Vegas and relevant Macau operations, respectively, on a bi-quarterly basis; such contributions having the effect of increasing Adjusted EBITDA by the corresponding amount 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, which commenced with the quarterly period ended September 30, 2011, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 5.5x for the quarterly period ended September 30, 2011, 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, will also require the Company s Macau operations to comply with similar financial covenants commencing with the quarterly period ended March 31, 2012, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio will be 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 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, which, if the respective lenders chose to accelerate the indebtedness outstanding under these agreements, would result in a default under the Company s senior notes. Certain defaults under the 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.

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

In 2008, the Company completed a $475.0 million convertible senior notes offering and a $2.1 billion common and preferred stock and warrants offering. In 2009, the Company completed a $600.0 million exchangeable bond offering and its $2.5 billion SCL Offering. A portion of the proceeds from these offerings was used in the U.S. to pay down $775.9 million under the revolving portion of the U.S. credit facility in March 2010 and $1.0 billion under the term loan portions of the U.S. credit facility in August 2010, and to exercise the EBITDA true-up provision during the quarterly period ended March 31, 2011.

The Company held unrestricted and restricted cash and cash equivalents of approximately $3.95 billion and $219.9 million, respectively, as of September 30, 2011. The Company believes the cash on hand, cash flow generated from operations and available borrowings under its credit facilities will be sufficient to fund its developments currently under construction and maintain compliance with the financial covenants of its U.S., Macau 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. The Company recommenced construction activities at Sands Cotai Central in May 2010 using the proceeds from the $1.75 billion VOL credit facility together with $500.0 million of proceeds from the SCL Offering. In September 2011, the Company entered into the $3.7 billion 2011 VML Credit Facility, which, upon funding that is expected to occur in November 2011, will be used to repay the outstanding indebtedness under the VML and VOL credit facilities, as well as continue to fund the development, construction and completion of certain components of Sands Cotai Central. See Note 3 Long-Term Debt 2011 VML Credit Facility for further disclosure.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued authoritative guidance for fair value measurements, which requires new disclosures regarding significant transfers in and out of Level 1 and 2 fair value measurements and gross presentation of activity within the reconciliation for Level 3 fair value measurements. The guidance also clarifies existing requirements on the level of disaggregation and required disclosures regarding inputs and valuation techniques for both recurring and nonrecurring Level 2 and 3 fair value measurements. The guidance is effective for interim and annual reporting periods beginning after December 15, 2009, with the exception of gross presentation of Level 3 activity, which is effective for interim and annual reporting periods beginning after December 15, 2010. The adoption of this guidance did not have a material effect on the Company s financial condition, results of operations or cash flows. See Note 8 Fair Value Measurements for the required disclosure.

In May 2011, the 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 will 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 update 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. The adoption of this guidance will not have a material effect on the Company s financial condition, results of operations or cash flows.

Table of Contents

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):

	September 30, 2011	December 31, 2010
Land and improvements	$ 431,941	$ 410,758
Building and improvements	11,367,108	10,881,936
Furniture, fixtures, equipment and leasehold improvements	2,083,422	1,990,721
Transportation	405,738	402,904
Construction in progress	3,416,546	3,147,750
	17,704,755	16,834,069
Less accumulated depreciation and amortization	(2,899,782)	(2,331,872)
	$ 14,804,973	$ 14,502,197

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

	September 30, 2011	December 31, 2010
Sands Cotai Central	$ 2,612,616	$ 2,005,386
Four Seasons Macao (principally the Four Seasons Apartments)	387,572	379,161
Sands Bethlehem	59,421	101,960
Marina Bay Sands	21,872	337,835
Other	335,065	323,408
	$ 3,416,546	$ 3,147,750

The $335.1 million in other construction in progress consists primarily of construction of the Las Vegas Condo Tower and costs incurred at the Cotai Strip parcels 3 and 7 and 8.

The final purchase price for The Shoppes at The Palazzo was to be determined in accordance with the April 2004 purchase and sale agreement, as amended, between Venetian Casino Resort, LLC (VCR) and GGP (the Amended Agreement) based on net operating income (NOI) of The Shoppes at The Palazzo calculated 30 months after the closing date of the sale, as defined under the Amended Agreement (the Final Purchase Price) and subject to certain later audit adjustments. The Company and GGP had entered into several amendments to the Amended Agreement to defer the time to reach agreement on the Final Purchase Price as both parties continued to work on various matters related to the calculation of NOI. On June 24, 2011, the Company reached a settlement with GGP regarding the Final Purchase Price. Under the terms of the settlement, the Company retained the $295.4 million of proceeds previously received and participates in certain future revenues earned by GGP. Under generally accepted accounting principles, the transaction 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 $267.5 million (net of $43.9 million of accumulated depreciation) as of September 30, 2011, 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 and nine months ended September 30, 2011 and the three and nine months ended September 30, 2010, the Company capitalized interest expense of $34.9 million, $97.3 million, $32.0 million and $74.3 million, respectively. During the three and nine months ended September 30, 2011 and the three and nine months ended September 30, 2010, the Company capitalized approximately $3.8 million, $20.8 million, $13.3 million and $43.4 million, respectively, of internal costs, consisting primarily of compensation expense for individuals directly involved with the development and construction of property and equipment.

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 $100.7 million as of September 30, 2011. During December 2010, the Company received notice from the Macau 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 Macau for a review of the decision. In January 2011, the Company filed an appeal with the Court of Second Instance in Macau, which has yet to issue a decision. Should the Company win its appeal, it is still possible for the Chief Executive of Macau 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 $100.7 million in capitalized construction costs, as of September 30, 2011, related to its development on parcels 7 and 8.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

NOTE 3 LONG-TERM DEBT

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

	September 30, 2011	December 31, 2010
Corporate and U.S. Related:		
Senior Secured Credit Facility Term B	$ 2,140,928	$ 2,157,199
Senior Secured Credit Facility Delayed Draws I and II	714,900	720,332
6.375% Senior Notes (net of original issue discount of $591 and $720, respectively)	189,121	188,992
Airplane Financings	75,656	78,422
HVAC Equipment Lease	21,745	23,006
Other	3,185	3,868
Macau Related:		
VML Credit Facility Term B	1,452,289	1,483,789
VML Credit Facility Term B Delayed	564,779	577,029
VOL Credit Facility Term	749,447	749,930
Ferry Financing	148,549	175,011
Other	392	640
Singapore Related:		
Singapore Credit Facility	3,676,807	3,980,435
Other	1,630	2,170
	9,739,428	10,140,823
Less current maturities	(457,344)	(767,068)
Total long-term debt	$ 9,282,084	$ 9,373,755

Senior Secured Credit Facility

As of September 30, 2011, the Company had $724.6 million of available borrowing capacity under the Senior Secured Credit Facility, net of outstanding letters of credit and undrawn amounts committed to be funded by Lehman Brothers Commercial Paper Inc.

VML Credit Facility

As of September 30, 2011, the Company has no available borrowing capacity under the VML Credit Facility.

VOL Credit Facility

As of September 30, 2011, the Company had $1.0 billion of available borrowing capacity under the VOL Credit Facility.

VML and VOL Credit Facilities Refinancing

The Company entered into the VML and VOL credit facilities to construct and develop its Cotai Strip integrated resort projects (including The Venetian Macao, Four Seasons Macao and Sands Cotai Central). In order to reduce the Company s interest expense, extend the debt maturities and enhance the Company s financial flexibility and further strengthen its financial position, the Company entered into a new Macau credit facility in September 2011, as further described below. Upon funding, a portion of the borrowings under the new facility will be used to repay outstanding indebtedness under the VML and VOL credit facilities, as well as for working capital requirements and general corporate purposes, including for the development, construction and completion of certain components of Sands Cotai Central. As the Company has the ability and intent to refinance the VML and VOL credit facilities, $618.8 million of debt has been reclassified from current to long-term on the condensed consolidated balance sheet as of September 30,

2011. The Company expects to record a charge of approximately $21.5 million for loss on modification or early retirement of debt during the three months ending December 31, 2011, upon closing the refinancing the VML and VOL credit facilities.

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

2011 VML Credit Facility

On September 22, 2011, two subsidiaries of the Company, VML US Finance LLC (the Borrower) and Venetian Macau Limited (VML), as guarantor, entered into a credit agreement (the 2011 VML Credit Facility), providing for up to $3.7 billion (or equivalent in Hong Kong dollars or Macau patacas), which consists of a $3.2 billion term loan (the 2011 VML Term Facility) that may be drawn until November 29, 2011, and a $500.0 million revolving facility (the 2011 VML Revolving Facility) that is available until one month prior to the fifth anniversary of the date of the initial funding of the loans under the 2011 VML Term Facility (the Closing Date). The Company expects to draw the full amount of the 2011 VML Term Facility prior to November 29, 2011.

The indebtedness under the 2011 VML Credit Facility will be guaranteed by VML, Venetian Cotai Limited, Venetian Orient Limited (VOL, owner and developer of Sands Cotai Central) and certain of the Company s other foreign subsidiaries (collectively, the 2011 VML Guarantors). The obligations under the 2011 VML Credit Facility are collateralized by a first-priority security interest in substantially all of the Borrower s and the 2011 VML Guarantors assets, other than (1) capital stock and similar ownership interests, (2) certain furniture, fixtures, fittings and equipment and (3) certain other excluded assets.

The 2011 VML Credit Facility will mature on the fifth anniversary of the Closing Date. Commencing on December 31, 2014, and at the end of each subsequent quarter through September 30, 2015, the Borrower is required to repay the outstanding 2011 VML Term Facility on a pro rata basis in an amount equal to 6.25% of the aggregate principal amount outstanding as of the Closing Date. Commencing on December 31, 2015, and at the end of each subsequent quarter through June 30, 2016, the Borrower is required to repay the outstanding 2011 VML Term Facility on a pro rata basis in an amount equal to 10.0% of the aggregate principal amount outstanding as of the Closing Date. The remaining balance on the 2011 VML Term Facility and any balance on the 2011 VML Revolving Facility are due on the maturity date. In addition, the Borrower is required to further repay the outstanding 2011 VML Term Facility with a portion of its excess free cash flow (as defined by the 2011 VML Credit Facility) after the end of each year, unless the Borrower is in compliance with a specified consolidated leverage ratio (the CLR).

Borrowings under the 2011 VML Credit Facility bear interest at either the adjusted Eurodollar rate or an alternative base rate (in the case of U.S. dollar denominated loans) or Hong Kong Interbank Offer Rate (in the case of Hong Kong dollar and Macau pataca denominated loans), as applicable, plus a spread of 2.25% for the first 180 days after the Closing Date. Beginning 180 days after the Closing Date, the spread for all outstanding loans is subject to reduction based on the CLR. The Borrower will also pay standby fees of 0.5% per annum on the undrawn amounts under the 2011 VML Revolving Facility (which commenced September 30, 2011) and the 2011 VML Term Facility (which commenced October 31, 2011).

The 2011 VML Credit Facility contains affirmative and negative covenants customary for such financings, including, but not limited to, limitations on liens, loans and guarantees, investments, acquisitions and asset sales, restricted payments and other distributions, affiliate transactions, certain capital expenditures and use of proceeds from the facility. The 2011 VML Credit Facility also requires the Borrower and VML to comply with financial covenants, including maximum ratios of total indebtedness to Adjusted EBITDA and minimum ratios of Adjusted EBITDA to net interest expense. The 2011 VML Credit Facility also contains events of default customary for such financings, which will not be effective until the Closing Date.

Singapore Credit Facility

As of September 30, 2011, the Company had SGD 102.8 million (approximately $79.4 million at exchange rates in effect on September 30, 2011) of available borrowing capacity under the Singapore Credit Facility, net of outstanding banker s guarantees.

Cash Flows from Financing Activities

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

	Nine Months Ended September 30,	
	2011	2010
Proceeds from VOL Credit Facility	$	$ 751,169
Proceeds from Singapore Credit Facility		647,988
	$	$ 1,399,157
Repayments on Singapore Credit Facility	$ (302,210)	$
Repayments on VML Credit Facility	(43,750)	(524,701)
Repayments on Senior Secured Credit Facility	(21,703)	(1,803,090)
Repayments on Ferry Financing	(26,243)	(26,331)
Repayments on Airplane Financings	(2,766)	(2,766)
Repayments on HVAC Equipment Lease	(1,261)	(1,293)
Repayments on FF&E Facility and Other Long-Term Debt	(1,470)	(109,746)
Repurchase and cancellation of Senior Notes		(56,675)
	$ (399,403)	$ (2,524,602)

Table of Contents

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 September 30, 2011, was approximately $9.40 billion, compared to its carrying value of $9.72 billion. As of December 31, 2010, the estimated fair value of the Company s long-term debt was approximately $9.72 billion, compared to its carrying value of $10.10 billion. The estimated fair value of the Company s long-term debt is based on quoted market prices, if available, or by pricing models based on the value of related cash flows discounted at current market interest rates.

NOTE 4 EQUITY AND EARNINGS PER SHARE

Preferred Stock and Warrants

Preferred stock dividend activity is as follows (in thousands):

Board of Directors Declaration Date	Payment Date	Preferred Stock Dividends Paid to Principal Stockholder s Family	Preferred Stock Dividends Paid to Public Holders	Total Preferred Stock Dividends Paid
February 5, 2010	February 16, 2010	$ 13,125	$ 10,225	$ 23,350
May 4, 2010	May 17, 2010	$ 13,125	$ 10,225	$ 23,350
July 29, 2010	August 16, 2010	$ 13,125	$ 10,225	$ 23,350
				$ 70,050
February 1, 2011	February 15, 2011	$ 13,125	$ 6,473	$ 19,598
May 5, 2011	May 16, 2011	$ 13,125	$ 6,094	$ 19,219
August 4, 2011	August 15, 2011	$ 13,125	$ 6,015	$ 19,140
				$ 57,957
November 4, 2011	November 15, 2011	$ 13,125	$ 4,215	$ 17,340

During the nine months ended September 30, 2011, holders of preferred stock exercised 1,258,120 warrants to purchase an aggregate of 20,968,703 shares of the Company s common stock at $6.00 per share and tendered 1,161,500 shares of preferred stock and $9.7 million in cash as settlement of the warrant exercise price. In conjunction with certain of these transactions, the Company paid $16.5 million in premiums to induce the exercise of warrants with settlement through tendering preferred stock. During the nine months ended September 30, 2011, the Company also repurchased and retired 581,629 shares of preferred stock for $64.9 million and recorded a $31.6 million repurchase premium as part of the transaction. During the nine months ended September 30, 2010, holders of preferred stock exercised 126 warrants to purchase an aggregate of 2,099 shares of the Company s common stock at $6.00 per share and tendered 76 shares of preferred stock and approximately $5,000 in cash as settlement of the warrant exercise price.

During August 2011, the Company s Board of Directors approved the redemption of all of the outstanding preferred stock on November 15, 2011. The Company expects to pay approximately $783.4 million to redeem all of the preferred shares outstanding as of September 30, 2011, and record a redemption premium of approximately

$98.5 million during the three months ended December 31, 2011.

Subsequent to September 30, 2011, holders of preferred stock exercised 52,600 warrants to purchase an aggregate of 876,668 shares of the Company s common stock at $6.00 per share and tendered 30,600 shares of preferred stock and $2.2 million in cash as settlement of the warrant exercise price. In conjunction with certain of these transactions, the Company paid $0.4 million in premiums to induce the exercise of warrants with settlement through tendering preferred stock. Additionally, subsequent to September 30, 2011, the Company repurchased and retired 155,000 shares of preferred stock for $17.4 million and will record a $8.5 million repurchase premium as part of these transactions.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Accumulated Comprehensive Income and Comprehensive Income

As of September 30, 2011 and December 31, 2010, accumulated comprehensive income consisted solely of foreign currency translation adjustments.

Total comprehensive income consisted of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income	$ 505,172	$ 268,834	$ 1,358,767	$ 395,196
Currency translation adjustment	(117,492)	78,886	(28,644)	74,390
Total comprehensive income	387,680	347,720	1,330,123	469,586
Less: comprehensive income attributable to noncontrolling interests	(78,229)	(58,004)	(231,736)	(120,830)
Comprehensive income attributable to Las Vegas Sands Corp.	$ 309,451	$ 289,716	$ 1,098,387	$ 348,756

Noncontrolling Interests

In June 2011, the Company disposed of its interest in one of its majority owned subsidiaries, resulting in a loss of $3.7 million, which is included in loss on disposal of assets during the nine months ended September 30, 2011. In addition, during the nine months ended September 30, 2011, the Company distributed $7.8 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 September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	729,773,246	660,836,841	727,309,255	660,495,783
Potential dilution from stock options, restricted stock and warrants	82,770,288	128,319,406	84,241,428	121,660,224
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	812,543,534	789,156,247	811,550,683	782,156,007
Antidilutive stock options excluded from the calculation of diluted earnings per share	5,496,367	8,570,205	5,512,267	9,098,805

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 September 30, 2011 and December 31, 2010, the Company s joint ventures had total assets of $106.5 million and $95.3 million, respectively, and total liabilities of $99.3 million and $78.4 million, respectively.

NOTE 6 INCOME TAXES

The Company s major tax jurisdictions are the U.S., Macau and Singapore. In 2010, the Internal Revenue Service (IRS) issued a Revenue Agent s Report (RAR) for tax years 2005 through 2008 of which the Company is appealing certain adjustments proposed by the IRS. The Company is in the initial stages of the appeals process with the IRS and while the final outcome of these matters is inherently uncertain, the Company believes it is reasonably possible that the total amount of unrecognized tax benefits may decrease by a range between $0 and $23 million within the next twelve months primarily due to the possible settlement of matters presently under consideration at appeals. During the three months ended September 30, 2011, the IRS completed its field examination of the Company s 2009 income tax return and issued an RAR proposing certain adjustments that the Company is currently evaluating. The Company is subject to examination for tax years after 2006 in Macau and Singapore. 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 more or less than the Company s expected outcome and impact the provision for income taxes.

The Company recorded valuation allowances on the net deferred tax assets of the Company s U.S. operations and certain foreign jurisdictions and does not anticipate recording an income tax benefit related to these deferred tax assets. The Company will reassess the realization of deferred tax assets based on accounting standards for income taxes each reporting period and will be able to reduce the valuation allowance to the extent that the financial results of these operations improve and it becomes more likely than not that the deferred tax assets are realizable.

The Company received a 5-year income tax exemption in Macau 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 Macau government, effective through 2013, that provides for an annual payment of 14.4 million patacas (approximately $1.8 million at exchange rates in effect on September 30, 2011) that is a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits.

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

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 September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Compensation expense:				
Stock options	$ 10,339	$ 13,487	$ 35,308	$ 42,169
Restricted shares	3,614	133	11,934	383
	$ 13,953	$ 13,620	$ 47,242	$ 42,552
Compensation cost capitalized as part of property and equipment	$ (324)	$ 659	$ 692	$ 2,187
LVSC 2004 Plan:				
Stock options granted		289	260	4,378
Weighted average grant date fair value	$	$ 20.99	$ 36.33	$ 15.40
Restricted shares granted	506	2	1,197	16
Weighted average grant date fair value	$ 42.67	$ 28.90	$ 45.52	$ 25.37
SCL Equity Plan:				
Stock options granted	2,039	4,553	7,316	24,929
Weighted average grant date fair value	$ 1.84	$ 1.12	$ 1.71	$ 1.05

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 September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
LVSC 2004 Plan:				
Weighted average volatility	%	89.0%	94.4%	92.7%
Expected term (in years)		6.0	6.3	5.4
Risk-free rate	%	3.0%	2.7%	2.9%
Expected dividends				
SCL Equity Plan:				
Weighted average volatility	67.7%	73.3%	68.4%	73.6%
Expected term (in years)	6.3	6.3	6.3	6.2
Risk-free rate	0.8%	1.5%	1.4%	2.0%
Expected dividends				

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.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

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 September 30, 2011				
Cash equivalents(1)	$ 2,229,081	$ 2,229,081	$	$
Interest rate caps(2)	$ 1,418	$	$ 1,418	$
As of December 31, 2010				
Cash equivalents(1)	$ 2,490,809	$ 2,490,809	$	$
Interest rate caps(2)	$ 1,617	$	$ 1,617	$

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

(2) As of September 30, 2011 and December 31, 2010, the Company has 39 and 34 interest rate cap agreements, respectively, with an aggregate fair value of approximately $1.4 million and $1.6 million, respectively, based on quoted market values from the institutions holding the agreements.

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 claims 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 Macau 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. 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. 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 intends to cooperate 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 March 31, 2011, SCL filed an announcement with the SEHK stating that SCL has been informed by the Securities and Futures Commission of Hong Kong (the SFC) that SCL is under investigation by the SFC in relation to alleged breaches of the provisions of the Hong Kong Securities and Futures Ordinance and has been requested to produce certain documents. The Company intends to cooperate with the investigation. 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.

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

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 will be reported as one consolidated matter in the future. 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, 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. The defendants will be answering the allegations remaining in the amended complaint and starting the discovery process. 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 will be reported as one consolidated matter in the future. On July 25, 2011, the plaintiffs filed a first verified amended consolidated complaint. 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.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

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 will be reported as one consolidated matter in the future. 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.

Singapore Development Project

In August 2006, the Company entered into a development agreement, as amended by a supplementary agreement on December 11, 2009 (the Development Agreement), with the Singapore Tourism Board (the STB), which requires the Company to construct and operate the Marina Bay Sands in accordance with the Company s proposal for the integrated resort and in accordance with the agreement. The Company entered into the SGD 5.44 billion (approximately $4.20 billion at exchange rates in effect on September 30, 2011) Singapore Credit Facility to fund a significant portion of the construction, operating and other development costs of the Marina Bay Sands.

The Development Agreement permits Marina Bay Sands to open in stages and in accordance with an agreed upon schedule. There are no financial consequences to MBS if it fails to meet the agreed upon schedule, provided that the entire integrated resort is opened by December 31, 2011. The Company believes it met the schedule by October 21, 2011, and is awaiting the results of an audit by the STB of satisfaction of the requirements of the Development Agreement. If the STB determines that the Company has not satisfied the requirements of the Development Agreement as of October 21, 2011, and the Company does not ultimately meet the December 31, 2011, deadline, the STB will be entitled to draw on the SGD 192.6 million (approximately $148.8 million at exchange rates in effect on September 30, 2011) security deposit under the Singapore Credit Facility.

Other Agreements

The Company has entered into an agreement with Starwood to manage hotels, as well as a brand serviced luxury apart-hotel, as part of Sands Cotai Central in Macau. The management agreement imposes certain construction and opening obligations and deadlines on the Company, and certain past and/or anticipated delays would allow Starwood to terminate its agreement. The Company has recommenced construction activities at Sands Cotai Central and is negotiating an amendment to its management agreement with Starwood to provide for new opening timelines. If negotiations are unsuccessful and Starwood exercises its rights to terminate its agreement, the Company would have to find a new manager and brand for these projects. The Company s agreement with Starwood related to the sales and marketing of the Las Vegas Condo Tower has been terminated. If the Company is unsuccessful in finding a new brand in Las Vegas, it could have a material adverse effect on the Company s financial condition, results of operations and cash flows.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

NOTE 10 SEGMENT INFORMATION

The Company s principal operating and developmental activities occur in three geographic areas: United States, Macau and Singapore. The Company reviews the results of operations for each of its key operating segments: The Venetian Las Vegas, which includes the Sands Expo Center; The Palazzo; Sands Bethlehem; Sands Macao; The Venetian Macao; Four Seasons Macao; and Other Asia (comprised primarily of the Company s ferry operations and various other operations that are ancillary to the Company s properties in Macau); and Marina Bay Sands. The Company also reviews construction and development activities for each of its primary projects: The Venetian Las Vegas; The Palazzo; Sands Bethlehem; Sands Macao; The Venetian Macao; Four Seasons Macao; Other Asia; Marina Bay Sands; Other Development Projects (Sands Cotai Central and Cotai Strip parcels 3 and 7 and 8); and Corporate and Other (comprised primarily of airplanes and the Las Vegas Condo Tower). 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 service and products, the regulatory business environment of the operations within each segment and the Company s organizational and management reporting structure. The Company s segment information as of September 30, 2011 and December 31, 2010, and for the three and nine months ended September 30, 2011 and 2010, is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net Revenues:				
Macau:				
The Venetian Macao	$ 689,243	$ 620,745	$ 2,062,917	$ 1,751,472
Sands Macao	307,420	288,235	961,173	874,253
Four Seasons Macao	169,050	160,367	461,914	406,807
Other Asia	43,190	28,403	109,413	80,961
	1,208,903	1,097,750	3,595,417	3,113,493
United States:				
Las Vegas Operating Properties	347,446	290,690	985,043	902,419
Sands Bethlehem	106,720	82,843	294,870	218,708
	454,166	373,533	1,279,913	1,121,127
Marina Bay Sands	792,427	485,886	2,114,921	702,279
Intersegment eliminations	(46,121)	(48,397)	(123,861)	(98,763)
Total net revenues	$ 2,409,375	$ 1,908,772	$ 6,866,390	$ 4,838,136

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Adjusted Property EBITDA(1)				
Macau:				
The Venetian Macao	$ 252,720	$ 211,496	$ 739,486	$ 574,240
Sands Macao	75,821	74,103	264,042	225,076
Four Seasons Macao	59,719	48,962	154,886	101,456
Other Asia	2,515	(5,563)	(11,321)	(16,149)
	390,775	328,998	1,147,093	884,623
United States:				
Las Vegas Operating Properties	94,311	58,271	252,385	229,555
Sands Bethlehem	25,170	16,361	68,318	39,450
	119,481	74,632	320,703	269,005
Marina Bay Sands	413,893	241,589	1,103,723	336,055
Total adjusted property EBITDA	924,149	645,219	2,571,519	1,489,683
Other Operating Costs and Expenses				
Stock-based compensation expense	(7,280)	(8,309)	(22,477)	(22,880)
Corporate expense	(54,031)	(28,686)	(133,983)	(78,116)
Rental expense	(10,143)	(9,186)	(33,333)	(30,690)
Pre-opening expense	(15,823)	(10,107)	(43,472)	(97,684)
Development expense	(3,308)	(425)	(6,301)	(1,258)
Depreciation and amortization	(200,071)	(186,738)	(596,469)	(510,521)
Impairment loss		(16,057)		(16,057)
Loss on disposal of assets	(937)	(2,406)	(8,879)	(40,577)
Operating income	632,556	383,305	1,726,605	691,900
Other Non-Operating Costs and Expenses				
Interest income	2,369	2,661	8,444	6,367
Interest expense, net of amounts capitalized	(70,761)	(76,723)	(214,938)	(231,875)
Other income (expense)	(6,617)	6,444	(9,384)	(6,205)
Loss on modification or early retirement of debt		(21,692)		(18,555)
Income tax expense	(52,375)	(25,161)	(151,960)	(46,436)
Net income	$ 505,172	$ 268,834	$ 1,358,767	$ 395,196

(1) Adjusted property EBITDA is net income before royalty fees, stock-based compensation expense, corporate expense, rent expense, pre-opening expense, development expense, depreciation and amortization, impairment loss, loss on disposal of assets, interest, other income (expense), loss on modification or 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 September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Intersegment Revenues				
Macau:				
The Venetian Macao	$ 801	$ 1,535	$ 2,624	$ 6,701
Other Asia	9,857	17,942	27,340	48,376
	10,658	19,477	29,964	55,077
Las Vegas Operating Properties	35,202	28,872	93,187	43,234
Marina Bay Sands	261	48	710	452
Total intersegment revenues	$ 46,121	$ 48,397	$ 123,861	$ 98,763

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Capital Expenditures		
Corporate and Other	$ 12,728	$ 9,746
Macau:		
The Venetian Macao	9,770	35,618
Sands Macao	4,130	2,500
Four Seasons Macao	16,525	29,348
Other Asia	5,220	2,524
Other Development Projects	571,730	200,292
	607,375	270,282
United States:		
Las Vegas Operating Properties	27,872	16,076
Sands Bethlehem	46,562	34,077
	74,434	50,153
Marina Bay Sands	393,068	1,320,083
Total capital expenditures	$ 1,087,605	$ 1,650,264

	September 30, 2011	December 31, 2010
Total Assets		
Corporate and Other	$ 1,204,990	$ 1,574,180
Macau:		
The Venetian Macao	3,985,225	3,194,598
Sands Macao	481,722	483,678
Four Seasons Macao	1,135,993	1,155,243
Other Asia	361,037	370,525
Other Development Projects	3,191,418	3,140,905
	9,155,395	8,344,949
United States:		
Las Vegas Operating Properties	4,051,444	3,966,754
Sands Bethlehem	830,778	757,993
	4,882,222	4,724,747
Marina Bay Sands	6,722,644	6,400,432
Total assets	$ 21,965,251	$ 21,044,308

	September 30, 2011	December 31, 2010
Total Long-Lived Assets		
Corporate and Other	$ 307,756	$ 308,438
Macau:		
The Venetian Macao	2,011,398	2,138,419
Sands Macao	294,142	315,380
Four Seasons Macao	993,485	1,024,302
Other Asia	219,811	230,640
Other Development Projects	2,923,377	2,303,959
	6,442,213	6,012,700
United States:		
Las Vegas Operating Properties	3,291,618	3,429,997
Sands Bethlehem	613,777	608,021
	3,905,395	4,038,018
Marina Bay Sands	5,532,148	5,541,881
Total long-lived assets	$ 16,187,512	$ 15,901,037

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

NOTE 11 CONDENSED CONSOLIDATING FINANCIAL INFORMATION

LVSC is the obligor of the Senior Notes due 2015. Las Vegas Sands, LLC, 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 Guarantor Subsidiaries), have jointly and severally guaranteed the Senior Notes; however, not on a full and unconditional basis as a result of subsidiaries being able to be released as guarantors under certain circumstances customary for such arrangements. The voting stock of all entities included as Guarantor Subsidiaries is 100% owned directly or indirectly by Las Vegas Sands Corp. The noncontrolling interest amount included in the Guarantor 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 and in connection therewith, it was released as a guarantor under the Senior Notes. 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 Guarantor Subsidiaries, and therefore are included in the Guarantor Subsidiaries columns in the following condensed consolidating financial information. As a result, net assets of $0.7 million (consisting of $267.5 million of property and equipment, offset by $266.8 million of liabilities consisting primarily of deferred proceeds from the sale) and $38.0 million (consisting of $282.1 million of property and equipment, offset by $244.1 million of liabilities consisting primarily of deferred proceeds from the sale) as of September 30, 2011 and December 31, 2010, respectively, and a net loss (consisting primarily of depreciation expense) of $4.2 million and $15.4 million for the three and nine ended September 30, 2011, respectively, and $2.5 million and $9.9 million for the three and nine months ended September 30, 2010, respectively, related to the mall and are being accounted for by the Guarantor Subsidiaries. These balances and amounts are not collateral for the Senior Notes and should not be considered as credit support for the guarantees of the Senior Notes.

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

The condensed consolidating financial information of LVSC, the Guarantor Subsidiaries and the non-guarantor subsidiaries on a combined basis as of September 30, 2011 and December 31, 2010, and for the three and nine months ended September 30, 2011 and 2010, is as follows (in thousands):

Condensed Consolidating Balance Sheets
September 30, 2011

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	$ 815,051	$ 642,486	$ 2,494,038	$	$ 3,951,575
Restricted cash and cash equivalents		398	183,968		184,366
Intercompany receivables	112,243	86,277	23,253	(221,773)	
Accounts receivable, net	959	211,119	904,460	(3,642)	1,112,896
Inventories	2,311	9,958	21,193		33,462
Deferred income taxes, net		24,810	128	(15,274)	9,664
Prepaid expenses and other	8,844	6,885	35,761	(797)	50,693
Total current assets	939,408	981,933	3,662,801	(241,486)	5,342,656
Property and equipment, net	132,054	3,437,383	11,235,536		14,804,973
Investment in subsidiaries	7,467,949	5,885,648		(13,353,597)	
Deferred financing costs, net	648	23,185	102,586		126,419
Restricted cash and cash equivalents		4,327	31,183		35,510
Intercompany receivables	31,086	107,956		(139,042)	
Intercompany notes receivable		757,147		(757,147)	
Deferred income taxes, net	63,328			(48,967)	14,361
Leasehold interests in land, net			1,382,539		1,382,539
Intangible assets, net	690		81,856		82,546
Other assets, net	113	22,520	153,614		176,247
Total assets	$ 8,635,276	$ 11,220,099	$ 16,650,115	$ (14,540,239)	$ 21,965,251
Accounts payable	$ 22,318	$ 24,888	$ 59,755	$ (3,642)	$ 103,319
Construction payables	184	2,271	353,231		355,686
Intercompany payables	23,253	112,243	86,277	(221,773)	
Accrued interest payable	1,602	1,055	16,661		19,318
Other accrued liabilities	19,308	192,915	1,106,634		1,318,857
Income taxes payable		1	79,243	(797)	78,447
Deferred income taxes	15,274			(15,274)	
Current maturities of long-term debt	3,687	30,572	423,085		457,344

Total current liabilities	85,626	363,945	2,124,886	(241,486)	2,332,971
Other long-term liabilities	26,760	11,398	43,792		81,950
Intercompany payables	59,857		79,185	(139,042)	
Intercompany notes payable			757,147	(757,147)	
Deferred income taxes		49,113	134,782	(48,967)	134,928
Deferred amounts related to mall transactions		435,080			435,080
Long-term debt	261,090	2,847,001	6,173,993		9,282,084
Total liabilities	433,333	3,706,537	9,313,785	(1,186,642)	12,267,013
Preferred stock issue to Principal Stockholder s family	572,787				572,787
Total Las Vegas Sands Corp. stockholders equity	7,629,156	7,513,157	5,840,440	(13,353,597)	7,629,156
Noncontrolling interests		405	1,495,890		1,496,295
Total equity	7,629,156	7,513,562	7,336,330	(13,353,597)	9,125,451
Total liabilities and equity	$ 8,635,276	$ 11,220,099	$ 16,650,115	$ (14,540,239)	$ 21,965,251

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Balance Sheets
December 31, 2010

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	$ 1,031,844	$ 412,226	$ 1,593,011	$	$ 3,037,081
Restricted cash and cash equivalents		2,179	162,136		164,315
Intercompany receivables	11,843	65,834	22,927	(100,604)	
Accounts receivable, net	298	156,012	561,217	(608)	716,919
Inventories	2,174	11,755	18,331		32,260
Deferred income taxes, net		24,496	47,389	(10,279)	61,606
Prepaid expenses and other	15,272	4,782	30,432	(3,760)	46,726
Total current assets	1,061,431	677,284	2,435,443	(115,251)	4,058,907
Property and equipment, net	133,901	3,570,465	10,797,831		14,502,197
Investment in subsidiaries	6,273,755	4,996,023		(11,269,778)	
Deferred financing costs, net	767	29,198	125,413		155,378
Restricted cash and cash equivalents		4,616	640,989		645,605
Intercompany receivables	31,996	97,813		(129,809)	
Intercompany notes receivable		638,986		(638,986)	
Deferred income taxes, net	62,638			(52,215)	10,423
Leasehold interests in land, net			1,398,840		1,398,840
Intangible assets, net	590		89,215		89,805
Other assets, net	78	27,104	155,971		183,153
Total assets	$ 7,565,156	$ 10,041,489	$ 15,643,702	$ (12,206,039)	$ 21,044,308
Accounts payable	$ 5,750	$ 26,975	$ 81,388	$ (608)	$ 113,505
Construction payables		2,179	514,802		516,981
Intercompany payables	22,926	11,843	65,835	(100,604)	
Accrued interest payable	4,629	7,689	30,307		42,625
Other accrued liabilities	15,692	175,011	969,531		1,160,234
Income taxes payable			3,760	(3,760)	
Deferred income taxes	10,279			(10,279)	
Current maturities of long-term debt	3,687	30,606	732,775		767,068
Total current liabilities	62,963	254,303	2,398,398	(115,251)	2,600,413
Other long-term liabilities	26,761	10,911	40,568		78,240
Intercompany payables	45,336		84,473	(129,809)	

Intercompany notes payable			638,986	(638,986)	
Deferred income taxes		53,034	114,400	(52,215)	115,219
Deferred amounts related to mall transactions		442,114			442,114
Long-term debt	263,726	2,869,931	6,240,098		9,373,755
Total liabilities	398,786	3,630,293	9,516,923	(936,261)	12,609,741
Preferred stock issue to Principal Stockholder s family	503,379				503,379
Total Las Vegas Sands Corp. stockholders equity	6,662,991	6,410,791	4,858,987	(11,269,778)	6,662,991
Noncontrolling interests		405	1,267,792		1,268,197
Total equity	6,662,991	6,411,196	6,126,779	(11,269,778)	7,931,188
Total liabilities and equity	$ 7,565,156	$ 10,041,489	$ 15,643,702	$ (12,206,039)	$ 21,044,308

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Operations
For the Three Months Ended September 30, 2011

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 124,258	$ 1,778,884	$	$ 1,903,142
Rooms		114,046	148,306		262,352
Food and beverage		43,675	103,548		147,223
Convention, retail and other		74,333	188,250	(38,742)	223,841
		356,312	2,218,988	(38,742)	2,536,558
Less promotional allowances	(167)	(20,007)	(106,606)	(403)	(127,183)
Net revenues	(167)	336,305	2,112,382	(39,145)	2,409,375
Operating expenses:					
Casino		71,088	922,953	(663)	993,378
Rooms		35,589	17,904		53,493
Food and beverage		22,711	50,569	(1,499)	71,781
Convention, retail and other		20,069	85,766	(6,606)	99,229
Provision for doubtful accounts		260	33,693		33,953
General and administrative		65,396	175,480	(204)	240,672
Corporate expense	48,539	58	35,607	(30,173)	54,031
Rental expense			10,143		10,143
Pre-opening expense			15,823		15,823
Development expense	3,308				3,308
Depreciation and amortization	4,654	55,669	139,748		200,071
Loss on disposal of assets			937		937
	56,501	270,840	1,488,623	(39,145)	1,776,819
Operating income (loss)	(56,668)	65,465	623,759		632,556
Other income (expense):					
Interest income	416	29,268	1,769	(29,084)	2,369
Interest expense, net of amounts capitalized	(3,453)	(24,704)	(71,688)	29,084	(70,761)
Other expense		(2,145)	(4,472)		(6,617)
Income from equity investments in subsidiaries	461,957	393,673		(855,630)	
Income before income taxes	402,252	461,557	549,368	(855,630)	557,547
Income tax benefit (expense)	22,627	(16,715)	(58,287)		(52,375)

Net income		424,879		444,842		491,081		(855,630)		505,172
Net income attributable to noncontrolling interests				(487)		(79,806)				(80,293)
Net income attributable to Las Vegas Sands Corp.	$	424,879	$	444,355	$	411,275	$	(855,630)	$	424,879

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Operations
For the Three Months Ended September 30, 2010

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 116,554	$ 1,457,297	$	$ 1,573,851
Rooms		105,649	102,511		208,160
Food and beverage		34,304	82,882		117,186
Convention, retail and other		63,501	115,858	(32,180)	147,179
		320,008	1,758,548	(32,180)	2,046,376
Less promotional allowances	(128)	(39,908)	(96,626)	(942)	(137,604)
Net revenues	(128)	280,100	1,661,922	(33,122)	1,908,772
Operating expenses:					
Casino		73,740	809,234	(796)	882,178
Rooms		24,218	12,648		36,866
Food and beverage		15,144	37,141	(1,379)	50,906
Convention, retail and other		18,206	56,582	(4,185)	70,603
Provision for doubtful accounts		5,681	32,152		37,833
General and administrative		62,389	131,400	(313)	193,476
Corporate expense	24,931	47	30,141	(26,433)	28,686
Rental expense			9,186		9,186
Pre-opening expense	178	3	9,942	(16)	10,107
Development expense	425				425
Depreciation and amortization	3,295	55,345	128,098		186,738
Impairment loss			16,057		16,057
Loss on disposal of assets		322	2,084		2,406
	28,829	255,095	1,274,665	(33,122)	1,525,467
Operating income (loss)	(28,957)	25,005	387,257		383,305
Other income (expense):					
Interest income	1,174	23,131	1,151	(22,795)	2,661
Interest expense, net of amounts capitalized	(3,505)	(26,172)	(69,841)	22,795	(76,723)
Other income (expense)	(1,500)	725	7,219		6,444
Loss on modification or early retirement of debt		(21,692)			(21,692)
Income from equity investments in subsidiaries	240,507	213,614		(454,121)	

Income before income taxes	207,719	214,611	325,786	(454,121)	293,995
Income tax benefit (expense)	6,778	3,285	(35,224)		(25,161)
Net income	214,497	217,896	290,562	(454,121)	268,834
Net income attributable to noncontrolling interests			(54,337)		(54,337)
Net income attributable to Las Vegas Sands Corp.	$ 214,497	$ 217,896	$ 236,225	$ (454,121)	$ 214,497

30

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Operations
For the Nine Months Ended September 30, 2011

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 312,504	$ 5,117,399	$	$ 5,429,903
Rooms		339,851	394,171		734,022
Food and beverage		141,555	297,077		438,632
Convention, retail and other		208,032	484,375	(103,269)	589,138
		1,001,942	6,293,022	(103,269)	7,191,695
Less promotional allowances	(502)	(53,850)	(269,774)	(1,179)	(325,305)
Net revenues	(502)	948,092	6,023,248	(104,448)	6,866,390
Operating expenses:					
Casino		195,274	2,695,844	(1,791)	2,889,327
Rooms		101,818	50,861		152,679
Food and beverage		69,661	151,421	(4,463)	216,619
Convention, retail and other		62,783	245,578	(16,863)	291,498
Provision for doubtful accounts		6,851	85,656		92,507
General and administrative		189,830	485,447	(559)	674,718
Corporate expense	118,588	196	95,971	(80,772)	133,983
Rental expense			33,333		33,333
Pre-opening expense		15	43,457		43,472
Development expense	6,301				6,301
Depreciation and amortization	13,315	172,282	410,872		596,469
(Gain) loss on disposal of assets	7,663	2,027	(811)		8,879
	145,867	800,737	4,297,629	(104,448)	5,139,785
Operating income (loss)	(146,369)	147,355	1,725,619		1,726,605
Other income (expense):					
Interest income	3,504	81,722	4,362	(81,144)	8,444
Interest expense, net of amounts capitalized	(10,353)	(70,638)	(215,091)	81,144	(214,938)
Other expense		(1,873)	(7,511)		(9,384)
Income from equity investments in subsidiaries	1,233,759	1,039,759		(2,273,518)	

Income before income taxes	1,080,541	1,196,325	1,507,379	(2,273,518)	1,510,727
Income tax benefit (expense)	44,298	(43,736)	(152,522)		(151,960)
Net income	1,124,839	1,152,589	1,354,857	(2,273,518)	1,358,767
Net income attributable to noncontrolling interests		(1,779)	(232,149)		(233,928)
Net income attributable to Las Vegas Sands Corp.	$ 1,124,839	$ 1,150,810	$ 1,122,708	$ (2,273,518)	$ 1,124,839

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Operations
For the Nine Months Ended September 30, 2010

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	$	$ 374,801	$ 3,555,121	$	$ 3,929,922
Rooms		345,885	233,824		579,709
Food and beverage		119,099	195,245		314,344
Convention, retail and other		158,593	264,010	(51,943)	370,660
		998,378	4,248,200	(51,943)	5,194,635
Less promotional allowances	(375)	(131,352)	(222,500)	(2,272)	(356,499)
Net revenues	(375)	867,026	4,025,700	(54,215)	4,838,136
Operating expenses:					
Casino		228,572	2,141,160	(1,972)	2,367,760
Rooms		72,469	28,125	(1)	100,593
Food and beverage		51,481	96,127	(4,601)	143,007
Convention, retail and other		56,043	148,597	(10,307)	194,333
Provision for doubtful accounts		23,376	49,610		72,986
General and administrative		182,424	311,081	(851)	492,654
Corporate expense	67,238	179	47,132	(36,433)	78,116
Rental expense			30,690		30,690
Pre-opening expense	535	6	97,193	(50)	97,684
Development expense	1,258				1,258
Depreciation and amortization	9,331	171,475	329,715		510,521
Impairment loss			16,057		16,057
Loss on disposal of assets		9,026	31,551		40,577
	78,362	795,051	3,327,038	(54,215)	4,146,236
Operating income (loss)	(78,737)	71,975	698,662		691,900
Other income (expense):					
Interest income	2,493	65,164	2,507	(63,797)	6,367
Interest expense, net of amounts capitalized	(11,669)	(82,880)	(201,123)	63,797	(231,875)
Other income (expense)	(1,500)	454	(5,159)		(6,205)
Gain (loss) on modification or early retirement of debt	3,358	(21,692)	(221)		(18,555)
Income from equity investments in subsidiaries	376,674	322,268		(698,942)	

Income before income taxes		290,619		355,289		494,666		(698,942)		441,632
Income tax benefit (expense)		(16,734)		2,555		(32,257)				(46,436)
Net income		273,885		357,844		462,409		(698,942)		395,196
Net income attributable to noncontrolling interests						(121,311)				(121,311)
Net income attributable to Las Vegas Sands Corp.	$	273,885	$	357,844	$	341,098	$	(698,942)	$	273,885

32

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Cash Flows
For the Nine Months Ended September 30, 2011

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Net cash generated from (used in) operating activities	$ (128,534)	$ 232,218	$ 1,825,489	$	$ 1,929,173
Cash flows from investing activities:					
Change in restricted cash and cash equivalents		2,070	588,026		590,096
Capital expenditures	(11,284)	(29,229)	(1,047,092)		(1,087,605)
Proceeds from disposal of property and equipment			5,487		5,487
Acquisition of intangible assets	(100)				(100)
Dividends received from Guarantor Subsidiaries	85,265			(85,265)	
Notes receivable to non-guarantor subsidiaries		(42,963)		42,963	
Dividends received from non-guarantor subsidiaries		127,472		(127,472)	
Repayments of receivable from non-guarantor subsidiaries		700		(700)	
Capital contributions to subsidiaries	(50,026)			50,026	
Net cash generated from (used in) investing activities	23,855	58,050	(453,579)	(120,448)	(492,122)
Cash flows from financing activities:					
Proceeds from exercise of stock options	20,390		2,022		22,412
Proceeds from the exercise of warrants	9,662				9,662
Dividends paid to preferred stockholders	(57,957)				(57,957)
Distributions to noncontrolling interests		(1,779)	(6,027)		(7,806)
Dividends paid to Las Vegas Sands Corp.		(85,265)		85,265	

Dividends paid to Guarantor Subsidiaries			(127,472)	127,472	
Capital contributions received		50,000	26	(50,026)	
Borrowings from Guarantor Subsidiaries			42,963	(42,963)	
Repayments on borrowings from Guarantor Subsidiaries			(700)	700	
Repayments on Singapore credit facility			(302,210)		(302,210)
Repayments on VML credit facility			(43,750)		(43,750)
Repayments on senior secured credit facility		(21,703)			(21,703)
Repayments on ferry financing			(26,243)		(26,243)
Repayments on airplane financings	(2,766)				(2,766)
Repayments on HVAC equipment lease		(1,261)			(1,261)
Repayments on FF&E facility and other long-term debt			(1,470)		(1,470)
Repurchase of preferred stock	(64,949)				(64,949)
Payments of preferred stock inducement premium	(16,494)				(16,494)
Payments of deferred financing costs			(6,076)		(6,076)
Net cash used in financing activities	(112,114)	(60,008)	(468,937)	120,448	(520,611)
Effect of exchange rate on cash			(1,946)		(1,946)
Increase (decrease) in cash and cash equivalents	(216,793)	230,260	901,027		914,494
Cash and cash equivalents at beginning of period	1,031,844	412,226	1,593,011		3,037,081
Cash and cash equivalents at end of period	$ 815,051	$ 642,486	$ 2,494,038	$	$ 3,951,575

Table of Contents

LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
Condensed Consolidating Statements of Cash Flows
For the Nine Months Ended September 30, 2010

	Las Vegas Sands Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Entries	Total
Net cash generated from (used in) operating activities	$ (86,402)	$ 243,909	$ 1,050,491	$	$ 1,207,998
Cash flows from investing activities:					
Change in restricted cash and cash equivalents		159	(836,964)		(836,805)
Capital expenditures	(5,261)	(20,308)	(1,624,695)		(1,650,264)
Proceeds from disposal of property and equipment		823	5,128		5,951
Acquisition of intangible assets	(590)		(44,009)		(44,599)
Purchases of investments			(173,774)		(173,774)
Proceeds from investments			173,774		173,774
Notes receivable to non-guarantor subsidiaries		(43,312)		43,312	
Dividends from Guarantor Subsidiaries	5,265,485			(5,265,485)	
Dividends from non-guarantor subsidiaries		41,100		(41,100)	
Capital contributions to subsidiaries	(4,467,037)	(16,537)		4,483,574	
Net cash generated from (used in) investing activities	792,597	(38,075)	(2,500,540)	(779,699)	(2,525,717)
Cash flows from financing activities:					
Proceeds from exercise of stock options	6,396				6,396
Proceeds from exercise of warrants	5				5
Dividends paid to preferred stockholders	(70,050)				(70,050)
Dividends paid to Las Vegas Sands Corp.		(5,265,485)		5,265,485	
Dividends paid to Guarantor Subsidiaries			(41,100)	41,100	
Capital contributions received		4,300,037	183,537	(4,483,574)	

Borrowings from Guarantor Subsidiaries			43,312	(43,312)	
Proceeds from VOL credit facility			751,169		751,169
Proceeds from Singapore credit facility			647,988		647,988
Repayments on senior secured credit facility		(1,803,090)			(1,803,090)
Repayments on VML credit facility			(524,701)		(524,701)
Repurchase and cancellation of senior notes	(56,675)				(56,675)
Repayments on ferry financing			(26,331)		(26,331)
Repayments on airplane financings	(2,766)				(2,766)
Repayments on HVAC equipment lease		(1,293)			(1,293)
Repayments on FF&E facility and other long-term debt		(108,549)	(1,197)		(109,746)
Payments of deferred financing costs		(9,905)	(55,918)		(65,823)
Net cash generated from (used in) financing activities	(123,090)	(2,888,285)	976,759	779,699	(1,254,917)
Effect of exchange rate on cash			11,932		11,932
Increase (decrease) in cash and cash equivalents	583,105	(2,682,451)	(461,358)		(2,560,704)
Cash and cash equivalents at beginning of period	254,256	3,033,625	1,667,535		4,955,416
Cash and cash equivalents at end of period	$ 837,361	$ 351,174	$ 1,206,177	$	$ 2,394,712

34

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

ITEM 2 *MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion should be read in conjunction with, and is qualified in its entirety by, the condensed consolidated financial statements and the notes thereto, and other financial information included in this Form 10-Q. Certain statements in this Management s Discussion and Analysis of Financial Condition and Results of Operations are forward-looking statements. See Special Note Regarding Forward-Looking Statements.

Operations

We view each of our casino properties as an operating segment. Our operating segments in the United States consist of The Venetian Resort Hotel Casino (The Venetian Las Vegas), The Palazzo Resort Hotel Casino (The Palazzo) and the Sands Casino Resort Bethlehem (the Sands Bethlehem). The Venetian Las Vegas and The Palazzo operating segments are managed as a single integrated resort and have been aggregated into one reportable segment (the Las Vegas Operating Properties), considering their similar economic characteristics, types of customers, types of service and products, the regulatory business environment of the operations within each segment and our organizational and management reporting structure. Our operating segments in the Macau Special Administrative Region (Macau) of the People s Republic of China consist of the Sands Macao; The Venetian Macao Resort Hotel (The Venetian Macao); the Four Seasons Hotel Macao, Cotai Strip and the Plaza Casino (collectively, the Four Seasons Macao); and other ancillary operations in that region (Other Asia). Our operating segment in Singapore, Marina Bay Sands, opened on April 27, 2010.

United States

Las Vegas

Our Las Vegas Operating Properties, situated on or near the Las Vegas Strip, consist of The Venetian Las Vegas, a Renaissance Venice-themed resort; 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). Our Las Vegas Operating Properties represent an integrated resort with approximately 7,100 suites and approximately 225,000 square feet of gaming space. Our Las Vegas Operating Properties also feature a meeting and conference facility of approximately 1.1 million square feet; Canyon Ranch SpaClub facilities; a Paiza Club offering services and amenities to premium customers, including luxurious VIP suites, spa facilities and private VIP gaming room facilities; entertainment facilities; an enclosed retail, dining and entertainment complex located within The Venetian Las Vegas of approximately 440,000 net leasable square feet (The Grand Canal Shoppes), which was sold to GGP Limited Partnership (GGP) in 2004; and an enclosed retail and dining complex located within The Palazzo of approximately 400,000 net leasable square feet (The Shoppes at The Palazzo), which was sold to GGP in February 2008. See Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Note 2 Property and Equipment, Net regarding the sale of The Shoppes at The Palazzo.

Approximately 70.0% and 63.9% of gross revenue at our Las Vegas Operating Properties for the nine months ended September 30, 2011 and 2010, respectively, was derived from room revenues, food and beverage services, and other non-gaming sources, and 30.0% and 36.1%, respectively, was derived from gaming activities. The percentage of non-gaming revenue reflects the integrated resort s emphasis on the group convention and trade show business.

Pennsylvania

In May 2009, we partially opened 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, which include table games operations that commenced in July 2010; a 300-room hotel tower, which opened in May 2011; an arts and cultural center; and the broadcast home of the local PBS affiliate. We have initiated construction activities on the remaining components of the integrated resort, which include a 150,000-square-foot retail facility (with a progressive opening beginning in November 2011) and 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. We own 86% of the economic interest of the gaming, hotel and entertainment portion of the property through our ownership interest in Sands Bethworks Gaming LLC and more than 35% of the economic interest of the retail portion of the property through our ownership interest in Sands Bethworks

Retail LLC. Approximately 90.3% and 91.2% of the gross revenue at Sands Bethlehem for the nine months ended September 30, 2011 and 2010, respectively, was derived from gaming activities, with the remainder derived from food and beverage services and other non-gaming sources.

Macau

Sands China Ltd. (SCL) completed an initial public offering (the SCL Offering) by listing its ordinary shares on The Main Board of The Stock Exchange of Hong Kong Limited in November 2009. We own 70.3% of SCL, which includes the operations of the Sands Macao, The Venetian Macao, Four Seasons Macao and other ancillary operations that support these properties. We operate the gaming areas within these properties pursuant to a 20-year gaming subconcession.

We own and operate the Sands Macao, the first Las Vegas-style casino in Macau. The Sands Macao includes approximately 197,000 square feet of gaming space; a 289-suite hotel tower; several restaurants; VIP facilities; a theater and other high-end services and amenities. Approximately 94.5% and 94.1% of the gross revenue at the Sands Macao for the nine months ended September 30, 2011 and 2010, respectively, was derived from gaming activities, with the remainder primarily derived from room revenues and food and beverage services.

We also own and operate The Venetian Macao, the anchor property of our master-planned development of integrated resort properties that we refer to as the Cotai Strip in Macau. With a theme similar to that of The Venetian Las Vegas, The Venetian Macao includes a 39-floor luxury hotel with over 2,900 suites; approximately 550,000 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. Approximately 83.8% and 82.9% of the gross revenue at The Venetian Macao for the nine months ended September 30, 2011 and 2010, respectively, was derived from gaming activities, with the remainder derived from room revenues and other non-gaming sources.

We own the Four Seasons Macao, which is located adjacent and connected to The Venetian Macao. The Four Seasons Macao is an integrated resort that features 360 rooms and suites managed and operated by Four Seasons Hotels Inc.; 19 Paiza mansions; approximately 70,000 square feet of gaming space; 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 operated by us. 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. We have completed the structural work of the tower and expect to monetize the units within the Four Seasons Apartments subject to market conditions and obtaining the necessary government approvals. Approximately 83.0% and 85.0% of the gross revenue at the Four Seasons Macao for the nine months ended September 30, 2011 and 2010, respectively, was derived from gaming activities, with the remainder derived from mall revenues, room revenues and other non-gaming sources.

Singapore

We own and operate the Marina Bay Sands in Singapore, which partially opened on April 27, 2010, with additional portions opened progressively throughout 2010. Marina Bay Sands features three 55-story hotel towers (with 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 and theaters. In February 2011, the Marina Bay Sands opened a landmark iconic structure at the bay-front promenade that contains an art/science museum. Approximately 76.5% of the gross revenue at the Marina Bay Sands for the nine months ended September 30, 2011, was derived from gaming activities, with the remainder derived from room revenues, food and beverage services and other non-gaming sources.

Development Projects

We have suspended portions of our development projects to focus our efforts on those projects with the highest expected rates of return on invested capital. Should general economic conditions fail to improve, if we are unable to obtain sufficient funding or applicable government approvals such that completion of our suspended projects is not probable, or should management decide to abandon certain projects, all or a portion of our investment to date on our suspended projects could be lost and would result in an impairment charge. In addition, we may be subject to penalties under the termination clauses in our construction contracts or termination rights under our management contracts with certain hotel management companies.

36

United States

We were 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. We suspended our construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. We intend to recommence construction when demand and conditions improve and expect that it will take approximately 18 months thereafter to complete construction of the project. As of September 30, 2011, we have capitalized construction costs of $178.0 million for this project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty.

Macau

We submitted plans to the Macau government for our other Cotai Strip developments, which represent three integrated resort developments, in addition to The Venetian Macao and Four Seasons Macao, on an area of approximately 200 acres (which we refer to as Sands Cotai Central (formerly parcels 5 and 6) and parcels 3 and 7 and 8). Subject to the approval from the Macau 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. We commenced construction or pre-construction activities on these developments and plan to operate the related gaming areas under our Macau gaming subconcession. In addition, we are completing the development of some public areas surrounding our Cotai Strip properties on behalf of the Macau government. We currently intend to develop our other Cotai Strip properties as follows:

Sands Cotai Central We are staging the construction of the Sands Cotai Central integrated resort. 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 exhibition and conference facilities, and a multipurpose theater. Phase I, which is currently expected to open at the end of the first quarter of 2012, includes a hotel tower on parcel 5 that was to be managed by Shangri-La International Hotel Management Limited (Shangri-La); however, in March 2011, we mutually agreed with Shangri-La to terminate the hotel management agreement. This hotel tower will now be managed by Hilton Worldwide, which will include 600 five-star rooms and suites under their Conrad brand, and InterContinental Hotels Group, which will include 1,200 four-star rooms and suites under their 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 its 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 dining, entertainment, retail 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. The total cost to complete phases I and II is expected to be approximately $1.6 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 its St. Regis brand and the total cost to complete is expected to be approximately $450 million. We intend to commence construction of phase III of the project as demand and market conditions warrant it. As of September 30, 2011, we have capitalized costs of $2.73 billion for the entire project, including the land premium (net of amortization) and $183.9 million in outstanding construction payables. Our management agreement with Starwood imposes certain construction deadlines and opening obligations on us and certain past and/or anticipated delays, as described above, would allow Starwood to terminate its agreement. We are currently negotiating an amendment to the management agreement with Starwood to provide for new opening timelines.

Parcels 7 and 8 If we are successful in winning our appeal and obtaining the land concession for parcels 7 and 8 (as discussed below), the related integrated resort is expected to be similar in size and scope to the Sands Cotai Central. We had commenced pre-construction activities and have capitalized construction costs of $100.7 million as of September 30, 2011. We intend to commence construction after Sands Cotai Central and the integrated resort on parcel 3 is complete, necessary government approvals are obtained (including the land concession), regional and global economic conditions improve, future demand warrants it and additional financing is obtained.

Parcel 3 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. We had commenced pre-construction activities and have capitalized costs of $96.2 million, including the land premium (net of amortization), as of September 30, 2011. We intend to commence construction after Sands Cotai Central is complete, necessary government approvals are obtained, regional and global economic conditions improve, future demand warrants it and additional financing is obtained.

Table of Contents
The impact of the delayed construction on our previously estimated cost to complete our Cotai Strip developments is currently not determinable. As of September 30, 2011, we have capitalized an aggregate of $7.11 billion in construction costs and land premiums (net of amortization) for our Cotai Strip developments, including The Venetian Macao, Four Seasons Macao and Sands Cotai Central, as well as our investments in transportation infrastructure, including our passenger ferry service operations. In addition to funding phases I and II of Sands Cotai Central with borrowings under our new $3.7 billion Macau credit facility entered into in September 2011 (the 2011 VML Credit Facility, see Liquidity and Capital Resources Development Financing Strategy for further disclosure), we will need to arrange additional financing to fund the balance of our Cotai Strip developments and there is no assurance that we will be able to obtain any of the additional financing required.
Land concessions in Macau generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macau law. We have received land concessions from the Macau government to build on parcels 1, 2, 3 and 5 and 6, including the sites on which The Venetian Macao (parcel 1), Four Seasons Macao (parcel 2) and Sands Cotai Central (parcels 5 and 6) are located. We do not own these land sites in Macau; however, the land concessions grant us exclusive use of the land. As specified in the land concessions, we are required to pay premiums for each parcel, which are either payable in a single lump sum upon acceptance of the land concessions by the Macau government or in seven semi-annual installments (provided that the outstanding balance is due upon the completion of the corresponding integrated resort), as well as annual rent for the term of the land concessions. In December 2010, we received notice from the Macau government that our application for a land concession for parcels 7 and 8 was not approved and we applied to the Chief Executive of Macau for a review of the decision. In January 2011, we filed an appeal with the Court of Second Instance in Macau, which has yet to issue a decision. Should we win our appeal, it is still possible for the Chief Executive of Macau to again deny the land concession based upon public policy considerations. If we do not obtain the land concession or do not receive full reimbursement of our capitalized investment in this project, we would record a charge for all or some portion of the $100.7 million in capitalized construction costs, as of September 30, 2011, related to our development on parcels 7 and 8.
Under our land concession for parcel 3, we were initially required to complete the corresponding development by August 2011. The Macau government has granted us 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. We believe that if we are not able to complete the developments by the respective deadlines, we will likely be able to obtain extensions from the Macau government; however, no assurances can be given that additional extensions will be granted. If we are unable to meet the applicable deadlines and those deadlines are not extended, we could lose our land concessions for parcel 3 or Sands Cotai Central, which would prohibit us from operating any facilities developed under the respective land concessions. As a result, we could record a charge for all or some portion of the $96.2 million and $2.73 billion in capitalized costs and land premiums (net of amortization), as of September 30, 2011, related to our developments on parcel 3 or Sands Cotai Central, respectively.
Other
When the current economic environment and access to capital improve, we may continue exploring the possibility of developing and operating additional properties, including integrated resorts, in additional Asian and U.S. jurisdictions, and in Europe.
Critical Accounting Policies and Estimates
The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates are based on historical information, information that is currently available to us and on various other assumptions that management believes to be reasonable under the circumstances. Actual results could vary from those estimates and we may change our estimates and assumptions in future evaluations. Changes in these estimates and assumptions may have a material effect on our financial condition and results of operations. We believe that these critical accounting policies affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements. For a discussion of our significant accounting policies and estimates, please refer to Management s Discussion and Analysis of Financial Condition and Results of Operations

presented in our 2010 Annual Report on Form 10-K filed on March 1, 2011.

Table of Contents

There were no newly identified significant accounting estimates during the nine months ended September 30, 2011, nor were there any material changes to the critical accounting policies and estimates discussed in our 2010 Annual Report.

Recent Accounting Pronouncements

See related disclosure at Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Note 1 Organization and Business of Company Recent Accounting Pronouncements.

Summary Financial Results

The following table summarizes our results of operations:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2011	2010	Percent Change	2011	2010	Percent Change
	(Dollars in thousands)					
Net revenues	$ 2,409,375	$ 1,908,772	26.2%	$ 6,866,390	$ 4,838,136	41.9%
Operating expenses	1,776,819	1,525,467	16.5%	5,139,785	4,146,236	24.0%
Operating income	632,556	383,305	65.0%	1,726,605	691,900	149.5%
Income before income taxes	557,547	293,995	89.6%	1,510,727	441,632	242.1%
Net income	505,172	268,834	87.9%	1,358,767	395,196	243.8%
Net income attributable to Las Vegas Sands Corp.	424,879	214,497	98.1%	1,124,839	273,885	310.7%

	Percent of Net Revenues			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Operating expenses	73.7%	79.9%	74.9%	85.7%
Operating income	26.3%	20.1%	25.1%	14.3%
Income before income taxes	23.1%	15.4%	22.0%	9.1%
Net income	21.0%	14.1%	19.8%	8.2%
Net income attributable to Las Vegas Sands Corp.	17.6%	11.2%	16.4%	5.7%

Operating Results

Key Operating Revenue Measurements

Operating revenues at our Las Vegas Operating Properties, The Venetian Macao, Four Seasons Macao and Marina Bay Sands are dependent upon the volume of customers who stay at the hotel, which affects the price that can be charged for hotel rooms and the volume of table games and slot machine play. Operating revenues at Sands Macao and Sands Bethlehem are principally driven by casino customers who visit the properties on a daily basis.

The following are the key measurements we use to evaluate operating revenues:

Casino revenue measurements for the U.S.: Table games drop (drop) and slot handle (handle) are volume measurements. Win or hold percentage represents the percentage of drop or handle that is won by the casino and recorded as casino revenue. Table games drop represents the sum of markers issued (credit instruments) less markers paid at the table, plus cash deposited in the table drop box. Slot handle is the gross amount wagered for the period cited. We view table games win as a percentage of drop and slot hold as a percentage of slot handle. Based upon our mix of table games, our table games in Las Vegas have produced a trailing 12-month win percentage (calculated before discounts) of 17.5%. Slot machines in Las Vegas and Pennsylvania have produced a trailing 12-month hold percentage (calculated before slot club cash incentives) of 8.2% and 7.3%, respectively. Actual win may vary from the trailing 12-month win and hold percentages. Generally, slot machine play is conducted on a cash basis, whereas in Las Vegas, approximately 70.9% of our table games play for the nine months ended September 30, 2011, was conducted on a credit basis. In Pennsylvania, our table games play, which commenced in July 2010, was primarily conducted on a cash basis. We expect to increase the credit extended to our players as operations ramp up at Sands Bethlehem.

Table of Contents

Casino revenue measurements for Macau and Singapore: Macau and Singapore table games are segregated into two groups, consistent with the Macau and Singapore market s convention: Rolling Chip play (all VIP players) and Non-Rolling Chip play (mostly non-VIP players). The volume measurement for Rolling Chip play is non-negotiable gaming chips wagered and lost. The volume measurement for Non-Rolling Chip play is table games drop as previously described. Rolling Chip and Non-Rolling Chip volume measurements are not comparable as the amounts wagered and lost are substantially higher than the amounts dropped. Slot handle is the gross amount wagered for the period cited.

We view Rolling Chip win as a percentage of Rolling Chip volume, Non-Rolling Chip win as a percentage of drop and slot hold as a percentage of slot handle. Win or hold percentage represents the percentage of Rolling Chip volume, Non-Rolling Chip drop or slot handle that is won by the casino and recorded as casino revenue. Based upon our mix of table games, our Rolling Chip win percentage (calculated before discounts and commissions) is expected to be 2.7% to 3.0% and our Non-Rolling Chip table games have produced a trailing 12-month win percentage of 27.0%, 20.2%, 34.8% and 22.4% at The Venetian Macao, Sands Macao, Four Seasons Macao and Marina Bay Sands, respectively. Our slot machines have produced a trailing 12-month hold percentage of 6.8%, 6.0%, 6.0% and 5.4% at The Venetian Macao, Sands Macao, Four Seasons Macao and Marina Bay Sands, respectively. Actual win may vary from the trailing 12-month win and hold percentages. In Macau, 26.6% of our table games play was conducted on a credit basis for the nine months ended September 30, 2011. This percentage is expected to increase as we continue to extend credit to our premium players and junket operators for table games play. In Singapore, 34.6% of table games play was conducted on a credit basis for the nine months ended September 30, 2011. This percentage is expected to increase as we increase the credit extended to our premium players and as our operations ramp up at Marina Bay Sands.

Hotel revenue measurements: Hotel occupancy rate, which is the average percentage of available hotel rooms occupied during a period, and average daily room rate, which is the average price of occupied rooms per day, are used as performance indicators. Revenue per available room represents a summary of hotel average daily room rates and occupancy. Because not all available rooms are occupied, average daily room rates are normally higher than revenue per available room. Reserved rooms where the guests do not show up for their stay and lose their deposit may be re-sold to walk-in guests. These rooms are considered to be occupied twice for statistical purposes due to obtaining the original deposit and the walk-in guest revenue. In cases where a significant number of rooms are resold, occupancy rates may be in excess of 100% and revenue per available room may be higher than the average daily room rate.

Three Months Ended September 30, 2011 Compared to the Three Months Ended September 30, 2010

Operating Revenues

Our net revenues consisted of the following:

	Three Months Ended September 30,		
	2011	2010	Percent Change
	(Dollars in thousands)		
Casino	$ 1,903,142	$ 1,573,851	20.9%
Rooms	262,352	208,160	26.0%
Food and beverage	147,223	117,186	25.6%
Convention, retail and other	223,841	147,179	52.1%
	2,536,558	2,046,376	24.0%
Less promotional allowances	(127,183)	(137,604)	7.6%
Total net revenues	$ 2,409,375	$ 1,908,772	26.2%

Consolidated net revenues were $2.41 billion for the three months ended September 30, 2011, an increase of $500.6 million compared to $1.91 billion for the three months ended September 30, 2010. The increase in net revenues was driven by an increase of $306.5 million from the progressive opening of the Marina Bay Sands, as well as increases at our Macau and U.S. operations.

Casino revenues increased $329.3 million compared to the three months ended September 30, 2010. Of the increase, $237.5 million was attributable to Marina Bay Sands, as well as a $63.0 million increase at our Macau operations driven by an increase in Rolling Chip volume at Sands Macao and increases in Non-Rolling Chip drop and win percentage at The Venetian Macao. The following table summarizes the results of our casino activity:

	Three Months Ended September 30,		
	2011	2010	Change
	(Dollars in thousands)		
Macau Operations:			
The Venetian Macao			
Total casino revenues	$ 586,945	$ 540,284	8.6%
Non-Rolling Chip drop	$ 1,074,230	$ 956,867	12.3%
Non-Rolling Chip win percentage	27.6%	26.6%	1.0pts
Rolling Chip volume	$ 12,706,769	$ 11,035,144	15.1%
Rolling Chip win percentage	2.66%	3.05%	(0.39)pts
Slot handle	$ 897,109	$ 853,705	5.1%
Slot hold percentage	6.4%	6.5%	(0.1)pts
Sands Macao			
Total casino revenues	$ 299,761	$ 281,764	6.4%
Non-Rolling Chip drop	$ 722,595	$ 649,605	11.2%
Non-Rolling Chip win percentage	20.0%	20.3%	(0.3)pts
Rolling Chip volume	$ 7,902,923	$ 6,275,044	25.9%
Rolling Chip win percentage	2.65%	3.00%	(0.35)pts
Slot handle	$ 536,479	$ 435,713	23.1%
Slot hold percentage	5.3%	5.7%	(0.4)pts
Four Seasons Macao			
Total casino revenues	$ 140,598	$ 142,256	(1.2)%
Non-Rolling Chip drop	$ 107,610	$ 98,537	9.2%
Non-Rolling Chip win percentage	38.9%	29.5%	9.4pts
Rolling Chip volume	$ 4,160,488	$ 4,740,576	(12.2)%
Rolling Chip win percentage	2.90%	3.08%	(0.18)pts
Slot handle	$ 201,540	$ 120,328	67.5%
Slot hold percentage	6.4%	5.4%	1.0pts
U.S Operations:			
Las Vegas Operating Properties			
Total casino revenues	$ 124,258	$ 116,554	6.6%
Table games drop	$ 536,109	$ 476,492	12.5%
Table games win percentage	20.4%	17.1%	3.3pts
Slot handle	$ 490,244	$ 663,607	(26.1)%
Slot hold percentage	8.7%	7.9%	0.8pts
Sands Bethlehem			
Total casino revenues	$ 99,652	$ 78,522	26.9%
Table games drop	$ 188,908	$ 72,910	159.1%
Table games win percentage	14.3%	13.0%	1.3pts
Slot handle	$ 988,426	$ 934,586	5.8%
Slot hold percentage	7.1%	7.2%	(0.1)pts
Singapore Operations:			
Marina Bay Sands			
Total casino revenues	$ 651,928	$ 414,471	57.3%

Non-Rolling Chip drop	$ 1,199,171	$ 892,079	34.4%
Non-Rolling Chip win percentage	22.6%	22.1%	0.5pts
Rolling Chip volume	$ 16,720,235	$ 10,254,561	63.1%
Rolling Chip win percentage	2.69%	2.65%	0.04pts
Slot handle	$ 2,792,485	$ 1,358,705	105.5%
Slot hold percentage	5.3%	5.9%	(0.6)pts

41

Table of Contents

In our experience, average win percentages remain steady when measured over extended periods of time, but can vary considerably within shorter time periods as a result of the statistical variances that are associated with games of chance in which large amounts are wagered.

Room revenues increased $54.2 million compared to the three months ended September 30, 2010. Of the increase, $36.5 million was attributable to Marina Bay Sands, as well as increases at our Las Vegas Properties driven by increased room rates and at The Venetian Macao driven by increased occupancy and room rates. The suites at Sands Macao are primarily provided to casino patrons on a complimentary basis. The following table summarizes the results of our room activity:

	Three Months Ended September 30,		
	2011	2010	Change
	(Dollars in thousands)		
Macau Operations:			
The Venetian Macao			
Total room revenues	$ 57,083	$ 50,614	12.8%
Occupancy rate	94.1%	90.1%	4.0pts
Average daily room rate	$ 232	$ 217	6.9%
Revenue per available room	$ 218	$ 195	11.8%
Sands Macao			
Total room revenues	$ 6,157	$ 6,089	1.1%
Occupancy rate	92.9%	96.6%	(3.7)pts
Average daily room rate	$ 251	$ 239	5.0%
Revenue per available room	$ 233	$ 231	0.9%
Four Seasons Macao			
Total room revenues	$ 8,257	$ 7,632	8.2%
Occupancy rate	70.8%	70.9%	(0.1)pts
Average daily room rate	$ 335	$ 309	8.4%
Revenue per available room	$ 237	$ 219	8.2%
U.S. Operations:			
Las Vegas Operating Properties			
Total room revenues	$ 114,046	$ 105,649	7.9%
Occupancy rate	92.7%	93.7%	(1.0)pts
Average daily room rate	$ 191	$ 174	9.8%
Revenue per available room	$ 177	$ 163	8.6%
Sands Bethlehem			
Total room revenues	$ 2,144	$	%
Occupancy rate	47.3%	%	pts
Average daily room rate	$ 168	$	%
Revenue per available room	$ 79	$	%
Singapore Operations:			
Marina Bay Sands			
Total room revenues	$ 74,665	$ 38,176	95.6%
Occupancy rate	98.1%	68.2%	29.9pts
Average daily room rate	$ 327	$ 246	32.9%
Revenue per available room	$ 321	$ 168	91.1%

Food and beverage revenues increased $30.0 million compared to the three months ended September 30, 2010. The increase was primarily due to a $17.2 million increase at the Marina Bay Sands and a $10.0 million increase at our Las Vegas Operating Properties driven by increased banquet activities.

Convention, retail and other revenues increased $76.7 million compared to the three months ended September 30, 2010. The increase was primarily due to increases at the Marina Bay Sands, The Venetian Macao and Four Seasons Macao of $38.0 million, $10.3 million and $7.7 million, respectively, driven by mall operations at these properties.

Table of Contents

Operating Expenses

The breakdown of operating expenses is as follows:

	Three Months Ended September 30,		
	2011	2010	Percent Change
	(Dollars in thousands)		
Casino	$ 993,378	$ 882,178	12.6%
Rooms	53,493	36,866	45.1%
Food and beverage	71,781	50,906	41.0%
Convention, retail and other	99,229	70,603	40.5%
Provision for doubtful accounts	33,953	37,833	(10.3)%
General and administrative	240,672	193,476	24.4%
Corporate expense	54,031	28,686	88.4%
Rental expense	10,143	9,186	10.4%
Pre-opening expense	15,823	10,107	56.6%
Development expense	3,308	425	678.4%
Depreciation and amortization	200,071	186,738	7.1%
Impairment loss		16,057	(100.0)%
Loss on disposal of assets	937	2,406	(61.1)%
Total operating expenses	$ 1,776,819	$ 1,525,467	16.5%

Operating expenses were $1.78 billion for the three months ended September 30, 2011, an increase of $251.4 million compared to $1.53 billion for the three months ended September 30, 2010. The increase in operating expenses was primarily attributable to the progressive opening of Marina Bay Sands.

Casino expenses increased $111.2 million compared to the three months ended September 30, 2010. Of the increase, $68.3 million was attributable to the Marina Bay Sands and $30.0 million was due to the 39.0% gross win tax on increased casino revenues across all of our Macau operations.

Room, food and beverage and convention, retail and other expenses increased $16.6 million, $20.9 million and $28.6 million, respectively, compared to the three months ended September 30, 2010. The increases were driven by the associated increases in the related revenues described above.

The provision for doubtful accounts was $34.0 million for the three months ended September 30, 2011, compared to $37.8 million for the three months ended September 30, 2010. The amount of this provision can vary over short periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe that the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses increased $47.2 million compared to the three months ended September 30, 2010, primarily attributable to the $31.3 million increase at the Marina Bay Sands.

Corporate expenses increased $25.3 million compared to the three months ended September 30, 2010. The increase was primarily due to higher incentive compensation expenses and increased legal fees.

Pre-opening expenses were $15.8 million for the three months ended September 30, 2011, compared to $10.1 million for the three months ended September 30, 2010. Pre-opening expense represents personnel and other costs incurred prior to the opening of new ventures, which are expensed as incurred. Pre-opening expenses for the three months ended September 30, 2011, were primarily related to activities at Sands Cotai Central. Pre-opening expenses for the three months ended September 30, 2010, were primarily related to activities at Sands Cotai Central and Marina Bay Sands.

Depreciation and amortization expense increased $13.3 million compared to the three months ended September 30, 2010. The increase was primarily attributable to a $21.5 million increase at Marina Bay Sands, partially offset by decreases at our Macau properties due to certain assets being fully depreciated.

Table of Contents

Adjusted Property EBITDA

Adjusted property EBITDA is used by management as the primary measure of the operating performance of our segments. Adjusted property EBITDA is net income before royalty fees, stock-based compensation expense, corporate expense, rental expense, pre-opening expense, development expense, depreciation and amortization, impairment loss, loss on disposal of assets, interest, other income (expense), loss on modification or early retirement of debt and income taxes. The following table summarizes information related to our segments (see Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Note 10 Segment Information for discussion of our operating segments and a reconciliation of adjusted property EBITDA to net income):

	Three Months Ended September 30,		
	2011	2010	Percent Change
	(Dollars in thousands)		
Macau:			
The Venetian Macao	$ 252,720	$ 211,496	19.5%
Sands Macao	75,821	74,103	2.3%
Four Seasons Macao	59,719	48,962	22.0%
Other Asia	2,515	(5,563)	145.2%
	390,775	328,998	18.8%
United States:			
Las Vegas Operating Properties	94,311	58,271	61.8%
Sands Bethlehem	25,170	16,361	53.8%
	119,481	74,632	60.1%
Marina Bay Sands	413,893	241,589	71.3%
Total adjusted property EBITDA	$ 924,149	$ 645,219	43.2%

Adjusted property EBITDA at our Macau operations increased $61.8 million compared to the three months ended September 30, 2010, led by an increase of $41.2 million at The Venetian Macao. As previously described, the increase across the properties was primarily attributable to an increase in net revenues of $111.2 million, partially offset by an increase of $30.0 million in gross win tax on increased casino revenues.

Adjusted property EBITDA at our Las Vegas Operating Properties increased $36.0 million compared to the three months ended September 30, 2010. As previously described, the increase was primarily attributable to an increase in net revenues of $52.8 million (excluding intersegment royalty revenue), partially offset by increases in the associated operating expenses as a result of higher revenues.

Adjusted property EBITDA at Sands Bethlehem increased $8.8 million compared to the three months ended September 30, 2010. The increase was primarily attributable to an increase in net revenues of $23.9 million, driven by the commencement of table games operations in July 2010 and the opening of the 300-room hotel tower in May 2011, partially offset by increases in the associated operating expenses.

Adjusted property EBITDA at Marina Bay Sands, increased $172.3 million compared to the three months ended September 30, 2010. The increase was primarily attributable to an increase in net revenues of $306.5 million, driven by the progressive opening of the property, partially offset by increases in the associated operating expenses.

Interest Expense

The following table summarizes information related to interest expense on long-term debt:

	Three Months Ended September 30,

	2011	2010
	(Dollars in thousands)	
Interest cost (which includes the amortization of deferred financing costs and original issue discount)	$ 101,688	$ 107,841
Add imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo	4,004	885
Less capitalized interest	(34,931)	(32,003)
Interest expense, net	$ 70,761	$ 76,723
Cash paid for interest	$ 89,070	$ 102,367
Weighted average total debt balance	$ 10,102,791	$ 10,502,487
Weighted average interest rate	4.0%	4.1%

44

Table of Contents

Interest cost decreased $6.2 million compared to the three months ended September 30, 2010, resulting from a decrease in our weighted average debt balances. Capitalized interest increased $2.9 million compared to the three months ended September 30, 2010, primarily due to increased construction activities at Sands Cotai Central in Macau.

Other Factors Effecting Earnings

Other expense was $6.6 million for the three months ended September 30, 2011, compared to other income of $6.4 million for the three months ended September 30, 2010. The amounts in both periods were primarily attributable to foreign exchange gains and losses, principally in Macau.

Our effective income tax rate was 9.4% for the three months ended September 30, 2011, compared to 8.6% for the three months ended September 30, 2010. The effective income tax rate for the three months ended September 30, 2011, reflects a 17% statutory tax rate on our Singapore operations; a zero percent tax rate from our Macau gaming operations due to our income tax exemption in Macau, which is set to expire in 2013; and non-realizable deferred tax assets in the U.S. and certain foreign jurisdictions, which unfavorably impacted our effective income tax rate. Management does not anticipate recording an income tax benefit related to deferred tax assets generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent that the financial results of these operations improve and it becomes more likely than not that these deferred tax assets are realizable, we will reduce the valuation allowances in the period such determination is made.

The net income attributable to our noncontrolling interests was $80.3 million for the three months ended September 30, 2011, compared to $54.3 million for the three months ended September 30, 2010, and was primarily attributable to the noncontrolling interest of SCL for both periods.

Nine Months Ended September 30, 2011 Compared to the Nine Months Ended September 30, 2010

Operating Revenues

Our net revenues consisted of the following:

	Nine Months Ended September 30,		
	2011	**2010**	**Percent Change**
	(Dollars in thousands)		
Casino	$ 5,429,903	$ 3,929,922	38.2%
Rooms	734,022	579,709	26.6%
Food and beverage	438,632	314,344	39.5%
Convention, retail and other	589,138	370,660	58.9%
	7,191,695	5,194,635	38.4%
Less promotional allowances	(325,305)	(356,499)	8.8%
Total net revenues	$ 6,866,390	$ 4,838,136	41.9%

Consolidated net revenues were $6.87 billion for the nine months ended September 30, 2011, an increase of $2.03 billion compared to $4.84 billion for the nine months ended September 30, 2010. The increase in net revenues was driven by a $1.41 billion increase from the progressive opening of the Marina Bay Sands, as well as increases at our Macau and U.S. operations.

Table of Contents

Casino revenues increased $1.50 billion compared to the nine months ended September 30, 2010. Of the increase, $1.11 billion was attributable to Marina Bay Sands, as well as a $384.6 million increase at our Macau operations driven primarily by increases in Rolling Chip volume and Non-Rolling Chip drop at The Venetian Macao and Sands Macao. The increase was partially offset by a decrease at our Las Vegas Operating Properties driven by a decrease in slot handle. The following table summarizes the results of our casino activity:

	Nine Months Ended September 30,		
	2011	2010	Change
	(Dollars in thousands)		
Macau Operations:			
The Venetian Macao			
Total casino revenues	$ 1,788,833	$ 1,521,090	17.6%
Non-Rolling Chip drop	$ 3,079,081	$ 2,776,469	10.9%
Non-Rolling Chip win percentage	27.0%	25.5%	1.5pts
Rolling Chip volume	$ 38,465,676	$ 30,850,448	24.7%
Rolling Chip win percentage	2.95%	3.11%	(0.16)pts
Slot handle	$ 2,498,423	$ 2,226,029	12.2%
Slot hold percentage	6.6%	7.0%	(0.4)pts
Sands Macao			
Total casino revenues	$ 939,165	$ 856,778	9.6%
Non-Rolling Chip drop	$ 2,124,760	$ 1,842,682	15.3%
Non-Rolling Chip win percentage	20.1%	20.4%	(0.3)pts
Rolling Chip volume	$ 23,925,627	$ 19,902,862	20.2%
Rolling Chip win percentage	2.79%	3.08%	(0.29)pts
Slot handle	$ 1,434,961	$ 1,204,842	19.1%
Slot hold percentage	5.8%	5.8%	pts
Four Seasons Macao			
Total casino revenues	$ 399,733	$ 365,253	9.4%
Non-Rolling Chip drop	$ 286,982	$ 293,102	(2.1)%
Non-Rolling Chip win percentage	38.8%	27.7%	11.1pts
Rolling Chip volume	$ 11,464,101	$ 13,303,508	(13.8)%
Rolling Chip win percentage	3.05%	2.91%	0.14pts
Slot handle	$ 589,621	$ 376,638	56.5%
Slot hold percentage	6.1%	5.5%	0.6pts
U.S Operations:			
Las Vegas Operating Properties			
Total casino revenues	$ 312,503	$ 374,801	(16.6)%
Table games drop	$ 1,434,904	$ 1,440,665	(0.4)%
Table games win percentage	17.9%	18.5%	(0.6)pts
Slot handle	$ 1,309,108	$ 1,972,181	(33.6)%
Slot hold percentage	8.7%	7.8%	0.9pts
Sands Bethlehem			
Total casino revenues	$ 278,726	$ 206,751	34.8%
Table games drop	$ 459,413	$ 72,910	530.1%
Table games win percentage	14.8%	13.0%	1.8pts
Slot handle	$ 2,817,673	$ 2,803,567	0.5%
Slot hold percentage	7.2%	7.0%	0.2pts
Singapore Operations:			
Marina Bay Sands			

Total casino revenues	$ 1,710,943	$ 605,249	182.7%
Non-Rolling Chip drop	$ 3,300,078	$ 1,430,375	130.7%
Non-Rolling Chip win percentage	22.5%	21.9%	0.6pts
Rolling Chip volume	$ 39,081,385	$ 14,138,555	176.4%
Rolling Chip win percentage	2.75%	2.52%	0.23pts
Slot handle	$ 7,214,905	$ 1,841,031	291.9%
Slot hold percentage	5.3%	6.3%	(1.0)pts

In our experience, average win percentages remain steady when measured over extended periods of time, but can vary considerably within shorter time periods as a result of the statistical variances that are associated with games of chance in which large amounts are wagered.

Room revenues increased $154.3 million compared to the nine months ended September 30, 2010. The increase in room revenues was attributable to $144.3 million from the Marina Bay Sands, as well as an increase at The Venetian Macao driven by increased room rates, partially offset by a decrease at our Las Vegas Operating Properties driven by reduced occupancy. The suites at Sands Macao are primarily provided to casino patrons on a complimentary basis. The following table summarizes the results of our room activity:

	Nine Months Ended September 30,		
	2011	2010	Change
	(Dollars in thousands)		
Macau Operations:			
The Venetian Macao			
Total room revenues	$ 158,697	$ 145,953	8.7%
Occupancy rate	90.1%	91.6%	(1.5)pts
Average daily room rate	$ 227	$ 207	9.7%
Revenue per available room	$ 205	$ 190	7.9%
Sands Macao			
Total room revenues	$ 17,270	$ 18,919	(8.7)%
Occupancy rate	88.6%	97.2%	(8.6)pts
Average daily room rate	$ 248	$ 248	%
Revenue per available room	$ 220	$ 241	(8.7)%
Four Seasons Macao			
Total room revenues	$ 23,315	$ 21,117	10.4%
Occupancy rate	67.8%	71.0%	(3.2)pts
Average daily room rate	$ 333	$ 295	12.9%
Revenue per available room	$ 225	$ 209	7.7%
U.S Operations:			
Las Vegas Operating Properties			
Total room revenues	$ 339,850	$ 345,885	(1.7)%
Occupancy rate	88.5%	94.3%	(5.8)pts
Average daily room rate	$ 201	$ 191	5.2%
Revenue per available room	$ 178	$ 180	(1.1)%
Sands Bethlehem			
Total room revenues	$ 2,803	$	%
Occupancy rate	47.7%	%	pts
Average daily room rate	$ 168	$	%
Revenue per available room	$ 80	$	%
Singapore Operations:			
Marina Bay Sands			
Total room revenues	$ 192,087	$ 47,835	301.6%
Occupancy rate	91.8%	64.8%	27.0pts
Average daily room rate	$ 303	$ 242	25.2%
Revenue per available room	$ 278	$ 157	77.1%

Food and beverage revenues increased $124.3 million compared to the nine months ended September 30, 2010. The increase was primarily due to a $92.5 million increase at the Marina Bay Sands and a $23.7 million increase at our Las Vegas Operating Properties driven by increased banquet activities.

Convention, retail and other revenues increased $218.5 million compared to the nine months ended September 30, 2010. The increase was primarily due to increases at the Marina Bay Sands, Four Seasons Macao and The Venetian Macao of $152.2 million, $15.5 million and $14.0 million, respectively, driven by mall operations at these properties.

Table of Contents

Operating Expenses

The breakdown of operating expenses is as follows:

	Nine Months Ended September 30,		
	2011	2010	Percent Change
	(Dollars in thousands)		
Casino	$ 2,889,327	$ 2,367,760	22.0%
Rooms	152,679	100,593	51.8%
Food and beverage	216,619	143,007	51.5%
Convention, retail and other	291,498	194,333	50.0%
Provision for doubtful accounts	92,507	72,986	26.7%
General and administrative	674,718	492,654	37.0%
Corporate expense	133,983	78,116	71.5%
Rental expense	33,333	30,690	8.6%
Pre-opening expense	43,472	97,684	(55.5)%
Development expense	6,301	1,258	400.9%
Depreciation and amortization	596,469	510,521	16.8%
Impairment loss		16,057	(100.0)%
Loss on disposal of assets	8,879	40,577	(78.1)%
Total operating expenses	$ 5,139,785	$ 4,146,236	24.0%

Operating expenses were $5.14 billion for the nine months ended September 30, 2011, an increase of $993.5 million compared to $4.15 billion for the nine months ended September 30, 2010. The increase in operating expenses was primarily attributable to the progressive opening of Marina Bay Sands.

Casino expenses increased $521.6 million compared to the nine months ended September 30, 2010. Of the increase, $338.0 million was attributable to the Marina Bay Sands and $171.5 million was due to the 39.0% gross win tax on increased casino revenues across all of our Macau operations.

Room, food and beverage and convention, retail and other expenses increased $52.1 million, $73.6 million and $97.2 million, respectively, compared to the nine months ended September 30, 2010. The increases were driven by the associated increases in the related revenues described above.

The provision for doubtful accounts was $92.5 million for the nine months ended September 30, 2011, compared to $73.0 million for the nine months ended September 30, 2010. The increase was attributable to a $38.1 million increase in provisions at the Marina Bay Sands. The amount of this provision can vary over short periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe that the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses increased $182.1 million compared to the nine months ended September 30, 2010, primarily attributable to a $153.6 million increase at the Marina Bay Sands.

Corporate expenses increased $55.9 million compared to the nine months ended September 30, 2010. The increase was primarily due to higher incentive compensation expenses, as well as increased legal and recruitment expenses.

Pre-opening expenses were $43.5 million for the nine months ended September 30, 2011, compared to $97.7 million for the three months ended September 30, 2010. Pre-opening expense represents personnel and other costs incurred prior to the opening of new ventures, which are expensed as incurred. Pre-opening expenses for the nine months ended September 30, 2011, were primarily related to activities at Sands Cotai Central. Pre-opening expenses for the nine months ended September 30, 2010, were primarily related to activities at Marina Bay Sands and costs associated with recommencing work at Sands Cotai Central.

Depreciation and amortization expense increased $85.9 million compared to the nine months ended September 30, 2010. The increase was primarily the result of the opening of Marina Bay Sands, which contributed $112.6 million of the increase, partially offset by decreases at our Macau properties due to certain assets being fully depreciated.

Loss on disposal of assets was $8.9 million for the nine months ended September 30, 2011, compared to $40.6 million for the nine months ended September 30, 2010. The 2011 losses relate to the disposition of one of our majority owned subsidiaries, as well as the disposition of construction materials and equipment in Macau. The losses incurred during the nine months ended September 30, 2010, were principally related to the disposition of construction materials in Macau and Las Vegas.

Adjusted Property EBITDA

Adjusted property EBITDA is used by management as the primary measure of the operating performance of our segments. Adjusted property EBITDA is net income before royalty fees, stock-based compensation expense, corporate expense, rental expense, pre-opening expense, development expense, depreciation and amortization, impairment loss, loss on disposal of assets, interest, other income (expense), loss on modification or early retirement of debt and income taxes. The following table summarizes information related to our segments (see Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Note 10 Segment Information for discussion of our operating segments and a reconciliation of adjusted property EBITDA to net income):

	Nine Months Ended September 30,		
	2011	2010	Percent Change
	(Dollars in thousands)		
Macau:			
The Venetian Macao	$ 739,486	$ 574,240	28.8%
Sands Macao	264,042	225,076	17.3%
Four Seasons Macao	154,886	101,456	52.7%
Other Asia	(11,321)	(16,149)	29.9%
	1,147,093	884,623	29.7%
United States:			
Las Vegas Operating Properties	252,385	229,555	9.9%
Sands Bethlehem	68,318	39,450	73.2%
	320,703	269,005	19.2%
Marina Bay Sands	1,103,723	336,055	228.4%
Total adjusted property EBITDA	$ 2,571,519	$ 1,489,683	72.6%

Adjusted property EBITDA at our Macau operations increased $262.5 million compared to the nine months ended September 30, 2010, led by an increase of $165.2 million at The Venetian Macao. As previously described, the increase across the properties was primarily attributable to an increase in net revenues of $481.9 million, partially offset by an increase of $171.5 million in gross win tax on increased casino revenues.

Adjusted property EBITDA at our Las Vegas Operating Properties increased $22.8 million compared to the nine months ended September 30, 2010. As previously described, the increase was primarily attributable to an increase in net revenues of $37.8 million (excluding intersegment royalty revenue), partially offset by increases in the associated operating expenses.

Adjusted property EBITDA at Sands Bethlehem increased $28.9 million compared to the nine months ended September 30, 2010. The increase was primarily driven by the commencement of table games operations in July 2010.

Adjusted property EBITDA at Marina Bay Sands does not have a comparable prior-year period as the property opened in April 2010.

Interest Expense

The following table summarizes information related to interest expense on long-term debt:

	Nine Months Ended September 30,	
	2011	2010
	(Dollars in thousands)	
	$ 308,232	$ 302,659

Interest cost (which includes the amortization of deferred financing costs and original issue discount)		
Add imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo	4,004	3,542
Less capitalized interest	(97,298)	(74,326)
Interest expense, net	$ 214,938	$ 231,875
Cash paid for interest	$ 300,482	$ 279,669
Weighted average total debt balance	$ 10,140,505	$ 10,771,226
Weighted average interest rate	4.1%	3.7%

49

Table of Contents

Interest cost increased $5.6 million compared to the nine months ended September 30, 2010, resulting from an increase in our weighted average interest rate, partially offset by a decrease in our weighted average debt balances. Capitalized interest increased $23.0 million compared to the nine months ended September 30, 2010, primarily due to the recommencement of activities at Sands Cotai Central in Macau.

Other Factors Effecting Earnings

Other expense was $9.4 million for the nine months ended September 30, 2011, which was primarily attributable to foreign exchange losses, principally in Macau. Other expense was $6.2 million for the nine months ended September 30, 2010, which was primarily attributable to a decrease in value of our interest rate caps.

Our effective income tax rate was 10.1% for the nine months ended September 30, 2011, compared to 10.5% for the nine months ended September 30, 2010. The effective income tax rate for the nine months ended September 30, 2011, reflects a 17% statutory tax rate on our Singapore operations; a zero percent tax rate from our Macau gaming operations due to our income tax exemption in Macau, which is set to expire in 2013; and non-realizable deferred tax assets in the U.S. and certain foreign jurisdictions, which unfavorably impacted our effective income tax rate. Management does not anticipate recording an income tax benefit related to deferred tax assets generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent that the financial results of these operations improve and it becomes more likely than not that these deferred tax assets are realizable, we will reduce the valuation allowances in the period such determination is made.

The net income attributable to our noncontrolling interests was $233.9 million for the nine months ended September 30, 2011, compared to $121.3 million for the nine months ended September 30, 2010, and was primarily attributable to the noncontrolling interest of SCL for both periods.

Liquidity and Capital Resources

Cash Flows Summary

Our cash flows consisted of the following:

	Nine Months Ended September 30,	
	2011	2010
	(Dollars in thousands)	
Net cash generated from operations	$ 1,929,173	$ 1,207,998
Investing cash flows:		
Changes in restricted cash and cash equivalents	590,096	(836,805)
Capital expenditures	(1,087,605)	(1,650,264)
Proceeds from disposal of property and equipment	5,487	5,951
Acquisition of intangible assets	(100)	(44,599)
Purchases of investments		(173,774)
Proceeds from investments		173,774
Net cash used in investing activities	(492,122)	(2,525,717)
Financing cash flows:		
Proceeds from exercise of stock options	22,412	6,396
Proceeds from exercise of warrants	9,662	5
Dividends paid to preferred stockholders	(57,957)	(70,050)
Distributions to noncontrolling interests	(7,806)	
Proceeds from long-term debt		1,399,157
Repayments on long-term debt	(399,403)	(2,524,602)
Repurchase of preferred stock	(64,949)	
Payments of preferred stock inducement premium	(16,494)	

Payments of deferred financing costs	(6,076)	(65,823)
Net cash used in financing activities	(520,611)	(1,254,917)
Effect of exchange rate on cash	(1,946)	11,932
Increase (decrease) in cash and cash equivalents	$ 914,494	$ (2,560,704)

50

Cash Flows Operating Activities

Table games play at our properties is conducted on a cash and credit basis. Slot machine play is primarily conducted on a cash basis. The retail hotel rooms business is generally conducted on a cash basis, the group hotel rooms business is conducted on a cash and credit basis, and banquet business is conducted primarily on a credit basis resulting in operating cash flows being generally affected by changes in operating income and accounts receivable. Net cash generated from operating activities for the nine months ended September 30, 2011, increased $721.2 million compared to the nine months ended September 30, 2010. The increase was primarily attributable to the increase in our operating results during the nine months ended September 30, 2011, as previously described.

Cash Flows Investing Activities

Capital expenditures for the nine months ended September 30, 2011, totaled $1.09 billion, including $607.4 million for construction and development activities in Macau (primarily for our Sands Cotai Central development), $393.1 million for construction activities in Singapore, $46.6 million for construction activities at Sands Bethlehem; and $40.6 million at our Las Vegas Operating Properties and for corporate and other activities.

Cash Flows Financing Activities

Net cash flows used in financing activities were $520.6 million for the nine months ended September 30, 2011, which was primarily attributable to the repayments of $302.2 million under our Singapore credit facility and $43.8 million under our VML credit facility, and payments of $64.9 million for preferred stock repurchases, $58.0 million for preferred stock dividends and $16.5 million to induce the exercise of warrants with settlement through tendering of preferred stock.

As of September 30, 2011, we had $1.80 billion available for borrowing under our U.S., Macau and Singapore credit facilities, net of letters of credit, outstanding banker s guarantees and undrawn amounts committed to be funded by Lehman Brothers-related subsidiaries.

Development Financing Strategy

Through September 30, 2011, we have funded our development projects primarily through borrowings under our U.S., Macau and Singapore credit facilities, operating cash flows, proceeds from our equity offerings and proceeds from the disposition of non-core assets.

The U.S. credit facility, as amended in August 2010, requires our 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 6.0x for the quarterly periods ended September 30 and December 31, 2011, decreases to 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. One of our Macau credit facilities, the VML credit facility, as amended in August 2009, requires certain of our Macau operations to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 3.0x for all quarterly periods through maturity. We can elect to contribute up to $50 million and $20 million of cash on hand to our Las Vegas and relevant Macau operations, respectively, on a bi-quarterly basis; such contributions having the effect of increasing Adjusted EBITDA by the corresponding amount 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, which commenced with the quarterly period ended September 30, 2011, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 5.5x for the quarterly period ended September 30, 2011, 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. Our 2011 VML Credit Facility, entered into in September 2011, will also require our Macau operations to comply with similar financial covenants commencing with the quarterly period ended March 31, 2012, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio will be 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 and remains at 3.0x for all quarterly periods thereafter through maturity. If we are 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 our airplane financings, which, if the respective lenders chose to accelerate the indebtedness outstanding under these agreements, would result in a default under our senior notes. Certain defaults under the VML credit facility would trigger a cross-default under our 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 we would be able to repay or refinance any amounts that may become due and payable under such agreements, which could force us to restructure or alter its operations or debt obligations.

In 2008, we completed a $475.0 million convertible senior notes offering and a $2.1 billion common and preferred stock and warrants offering. In 2009, we completed a $600.0 million exchangeable bond offering and our $2.5 billion SCL Offering. A portion of the proceeds from these offerings was used in the U.S. to pay down $775.9 million under the revolving portion of the U.S. credit facility in March 2010 and $1.0 billion under the term loan portions of the U.S. credit facility in August 2010, and to exercise the EBITDA true-up provision during the quarterly periods ended March 31, 2011. As of September 30, 2011, our U.S., VML, and Singapore leverage ratios were 4.0x, 1.3x and 2.5x, respectively, compared to the maximum leverage ratios allowed of 6.0x, 3.0x and 5.5x, respectively.

We held unrestricted and restricted cash and cash equivalents of approximately $3.95 billion and $219.9 million, respectively, as of September 30, 2011, of which approximately $2.45 billion of the unrestricted amount is held by non-U.S. subsidiaries. Of the $2.45 billion, approximately $1.56 billion is available to be repatriated to the U.S. with minimal taxes owed on such amounts due to the Company s significant foreign taxes paid, which would ultimately generate foreign tax credits if cash is repatriated. The remaining unrestricted amounts are not available for repatriation due to bank compliance requirements or dividend requirements to third party public shareholders in the case of funds being repatriated from SCL. We believe the cash on hand, cash flow generated from operations and available borrowings under our credit facilities will be sufficient to fund our developments currently under construction and maintain compliance with the financial covenants of our U.S., Macau and Singapore credit facilities. In the normal course of our activities, we will continue to evaluate our capital structure and opportunities for enhancements thereof.

We recommenced construction activities at Sands Cotai Central in May 2010 using proceeds from the $1.75 billion VOL credit facility together with $500.0 million of proceeds from the SCL Offering. In September 2011, we entered into the $3.7 billion 2011 VML Credit Facility, which, upon funding that is expected to occur in November 2011, will be used to repay the outstanding indebtedness under the VML and VOL credit facilities, as well as continue to fund the development, construction and completion of certain components of Sands Cotai Central. The 2011 VML Credit Facility will significantly reduce our interest expense, extend our Macau debt maturities to 2016, enhance our financial flexibility and further strengthen our financial position. The 2011 VML Credit Facility is expected to fund in November 2011 and we expect to record a $21.5 million loss on modification or extinguishment of debt in conjunction with the refinancing.

Additionally, in August 2011, our Board of Directors approved the redemption of all of the outstanding preferred stock on November 15, 2011. We expect to pay approximately $783.4 million to redeem all of the preferred shares outstanding as of September 30, 2011, and record a redemption premium of approximately $98.5 million during the three months ended December 31, 2011.

Aggregate Indebtedness and Other Known Contractual Obligations

As of September 30, 2011, there had been no material changes to our aggregated indebtedness and other known contractual obligations, which are set forth in the table included in our Annual Report on Form 10-K for the year ended December 31, 2010, except for the signing of the 2011 VML Credit Facility, which we expect to fund in November 2011. See Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Notes 3 Long-Term Debt for additional information on this credit facility.

Table of Contents

Restrictions on Distributions

We are a parent company with limited business operations. Our main asset is the stock and membership interests of our subsidiaries. The debt instruments of our U.S., Macau and Singapore subsidiaries contain certain restrictions that, among other things, limit the ability of certain subsidiaries to incur additional indebtedness, issue disqualified stock or equity interests, pay dividends or make other distributions, repurchase equity interests or certain indebtedness, create certain liens, enter into certain transactions with affiliates, enter into certain mergers or consolidations or sell our assets of our company without prior approval of the lenders or noteholders.

Inflation

We believe that inflation and changing prices have not had a material impact on our sales, revenues or income from continuing operations during the past year.

Special Note Regarding Forward-Looking Statements

This report contains forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the discussions of our business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources. In addition, in certain portions included in this report, the words anticipates, believes, estimates, seeks, expects, intends and similar expressions, as they relate to our company or management, are intended to identify forward-looking statements. Although we believe that these forward-looking statements are reasonable, we cannot assure you that any forward-looking statements will prove to be correct. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among others, the risks associated with:

- our substantial leverage, debt service and debt covenant compliance (including sensitivity to fluctuations in interest rates, as a significant portion of our debt is variable-rate debt, and other capital markets trends);
- disruptions in the global financing markets and our ability to obtain sufficient funding for our current and future developments, including our Cotai Strip, Singapore, Pennsylvania and Las Vegas developments;
- general economic and business conditions which may impact levels of disposable income, consumer spending, group meeting business, pricing of hotel rooms and retail and mall sales;
- increased competition for labor and materials due to other planned construction projects in Macau;
- the impact of the suspensions of certain of our development projects and our ability to meet certain development deadlines;
- the uncertainty of tourist behavior related to spending and vacationing at casino-resorts in Las Vegas, Macau and Singapore;
- regulatory policies in mainland China or other countries in which our customers reside, including visa restrictions limiting the number of visits or the length of stay for visitors from mainland China to Macau and restrictions on foreign currency exchange or importation of currency;
- our dependence upon properties primarily in Las Vegas, Macau and Singapore for all of our cash flow;
- our relationship with GGP or any successor owner of The Shoppes at The Palazzo and The Grand Canal Shoppes;
- new developments, construction and ventures, including our Cotai Strip developments;

the passage of new legislation and receipt of governmental approvals for our proposed developments in Macau and other jurisdictions where we are planning to operate;

our insurance coverage, including the risk that we have not obtained sufficient coverage or will only be able to obtain additional coverage at significantly increased rates;

disruptions or reductions in travel due to acts of terrorism;

disruptions or reductions in travel, as well as disruptions in our operations, due to outbreaks of infectious diseases, such as severe acute respiratory syndrome, avian flu or swine flu;

Table of Contents

government regulation of the casino industry, including gaming license regulation, the legalization of gaming in other jurisdictions and regulation of gaming on the Internet;

increased competition in Las Vegas and Macau, including recent and upcoming increases in hotel rooms, meeting and convention space, and retail space;

fluctuations in the demand for all-suites rooms, occupancy rates and average daily room rates in Las Vegas, Macau and Singapore;

the popularity of Las Vegas, Macau and Singapore as convention and trade show destinations;

new taxes, changes to existing tax rates or proposed changes in tax legislation;

our ability to maintain our gaming licenses, certificates and subconcession;

the completion of infrastructure projects in Macau and Singapore; and

the outcome of any ongoing and future litigation.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Readers are cautioned not to place undue reliance on these forward-looking statements. We assume no obligation to update any forward-looking statements after the date of this report as a result of new information, future events or developments, except as required by federal securities laws.

Table of Contents

ITEM 3 *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our variable rate long-term debt, which we attempt to manage through the use of interest rate cap agreements. We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. Our derivative financial instruments consist exclusively of interest rate cap agreements, which do not qualify for hedge accounting. Interest differentials resulting from these agreements are recorded on an accrual basis as an adjustment to interest expense.

To manage exposure to counterparty credit risk in interest rate cap agreements, we enter into agreements with highly rated institutions that can be expected to fully perform under the terms of such agreements. Frequently, these institutions are also members of the bank group providing our credit facilities, which management believes further minimizes the risk of nonperformance.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents notional amounts and weighted average interest rates by contractual maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged under the contract. Weighted average variable rates are based on September 30, 2011, LIBOR, HIBOR and SOR plus the applicable interest rate spread in accordance with the respective debt agreements. The information is presented in U.S. dollar equivalents, which is the Company s reporting currency, for the years ending September 30:

	2012	2013	2014	2015	2016	Thereafter	Total	Fair Value(1)
				(Dollars in millions)				
LIABILITIES								
Long-term debt								
Fixed rate	$	$	$	$ 189.7	$	$	$ 189.7	$ 191.1
Average interest rate(2)				6.4%			6.4%	
Variable rate(3)	$ 454.7	$ 529.3	$ 1,320.9	$ 3,268.0	$ 2,301.4	$ 1,652.3	$ 9,526.6	$ 9,206.7
Average interest rate(2)	2.5%	2.4%	2.1%	2.5%	2.6%	2.8%	2.5%	
ASSETS								
Cap agreements(4)	$	$ 0.1	$ 1.3	$	$	$	$ 1.4	$ 1.4

(1) The estimated fair values are based on quoted market prices, if available, or by pricing models based on the value of related cash flows discounted at current market interest rates.

(2) Based upon contractual interest rates for fixed rate indebtedness or current LIBOR, HIBOR and SOR for variable-rate indebtedness. Based on variable-rate debt levels as of September 30, 2011, an assumed 100 basis point change in LIBOR, HIBOR and SOR would cause our annual interest cost to change approximately $94.5 million.

(3) As we have the ability and the intent to refinance the VML and the VOL credit facilities, $618.8 million of debt has been reclassified from current to long-term with the outstanding balances reflecting the payment terms of the 2011 VML Credit Facility as of September 30, 2011.

(4) As of September 30, 2011, we have 39 interest rate cap agreements with an aggregate fair value of approximately $1.4 million based on quoted market values from the institutions holding the agreements.

Borrowings under the U.S. credit facility, as amended, bear interest, at our election, at either an adjusted Eurodollar rate or at an alternative base rate plus a credit spread. The portions of the revolving facility and term loans that were not extended bear interest at the alternative base rate plus 0.25% per annum or 0.5% per annum, respectively, or at the adjusted Eurodollar rate plus 1.25% per annum or 1.5% per annum, respectively. The extended revolving facility and extended term loans bear interest at the alternative base rate plus 1.0% per annum or 1.5% per annum, respectively, or at the adjusted Eurodollar rate plus 2.0% per annum or 2.5% per annum, respectively. Applicable spreads under the U.S. credit facility are subject to downward adjustments based upon our credit rating. Borrowings under the VML credit facility, as amended, bear interest, at our election, at either an adjusted Eurodollar rate (or in the case of the local term loan, adjusted HIBOR) plus 4.5% per annum or at an alternative base rate plus 3.5% per annum. Applicable spreads under the VML revolving facility are subject to a downward adjustment if certain consolidated leverage ratios are satisfied. Borrowings under the VOL credit facility bear interest at either the adjusted Eurodollar rate or an alternative base rate (in the case of U.S. dollar denominated loans) or HIBOR (in the case of Hong Kong dollar and Macau pataca denominated loans), as applicable, plus a spread of 4.5% per annum. Borrowings under the 2011 VML Credit Facility will bear interest at either the adjusted Eurodollar rate or an alternative base rate (in the case of U.S. dollar denominated loans) or HIBOR (in the case of Hong Kong dollar and Macau pataca denominated loans), as applicable, plus a spread of 2.25% for the first 180 days after the closing date (as defined per the agreement). Beginning 180 days after the closing date, the spread for all borrowings is subject to reduction based on a specified consolidated leverage ratio. Borrowings under the Singapore credit facility bear interest at SOR plus a spread of 2.25% per annum. Borrowings under the airplane financings bear interest at LIBOR plus approximately 1.5% per annum. Borrowings under the ferry financing, as amended, bear interest at HIBOR plus 2.5% per annum.

Table of Contents

Foreign currency transaction losses for the nine months ended September 30, 2011, were $6.5 million. We may be vulnerable to changes in the U.S. dollar/pataca exchange rate. Based on balances as of September 30, 2011, an assumed 1% change in the U.S. dollar/pataca exchange rate would cause a foreign currency transaction gain/loss of approximately $16.6 million. We do not hedge our exposure to foreign currencies; however, we maintain a significant amount of our operating funds in the same currencies in which we have obligations thereby reducing our exposure to currency fluctuations.

See also Liquidity and Capital Resources.

ITEM 4 *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission s rules and forms and that such information is accumulated and communicated to the Company s management, including its principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. The Company s Chief Executive Officer and its Chief Financial Officer have evaluated the disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) of the Company as of September 30, 2011, and have concluded that they are effective at the reasonable assurance level.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control over Financial Reporting

There were no changes in the Company s internal control over financial reporting that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

Part II

OTHER INFORMATION

ITEM 1 *LEGAL PROCEEDINGS*

The Company is party to litigation matters and claims related to its operations. For more information, see the Company s Annual Report on Form 10-K for the year ended December 31, 2010, and Part I Item 1 Financial Statements Notes to Condensed Consolidated Financial Statements Note 9 Commitments and Contingencies of this Quarterly Report on Form 10-Q.

ITEM 1A *RISK FACTORS*

There have been no material changes from the risk factors previously disclosed in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 6 *EXHIBITS*

List of Exhibits

Exhibit No.	Description of Document
10.1	Credit Agreement, dated as of September 21, 2011, entered into by and among VML US Finance LLC, Venetian Macau Limited, the financial institutions listed on the signature pages thereto as Lenders, Bank of China Limited, Macau Branch (BOC), as administrative agent for the Lenders, Goldman Sachs (Asia) L.L.C., Goldman Sachs Lending Partners LLC, Bank of America, N.A., BOC, Barclays Capital, BNP Paribas Hong Kong Branch, Citigroup Global Markets Asia Limited, Citibank, N.A. Hong Kong Branch, Commerzbank AG, Credit Agricole Corporate and Investment Bank, Credit Suisse Securities (USA) LLC, Credit Suisse AG, Singapore Branch, Industrial and Commercial Bank of China (Macau) Limited, ING Capital L.L.C. and ING Bank NV, Singapore Bank, Sumitomo Mitsui Banking Corporation, UBS Securities LLC and United Overseas Bank Limited, as global coordinators and bookrunners for the Term Loan Facility and Revolving Credit Facility and as co-syndication agents for the Term Loan Lenders and Revolving Loan Lenders and Banco Nacional Ultramarino, S.A., DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, The Bank of Nova Scotia and Wing Lung Bank Ltd., Macau Branch, as lead arrangers for the Term Loan Facility and Revolving Credit Facility.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Pursuant to Rule 406T of Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Table of Contents

LAS VEGAS SANDS CORP.
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

LAS VEGAS SANDS CORP.

By: /s/ Sheldon G. Adelson
Sheldon G. Adelson
Chairman of the Board and
Chief Executive Officer

November 9, 2011

By: /s/ Kenneth J. Kay
Kenneth J. Kay
Chief Financial Officer

November 9, 2011

58