

LAS VEGAS SANDS CORP

Form 10-Q

November 09, 2007

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

Form 10-Q

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

For the quarterly period ended September 30, 2007

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

For the Transition period from to

Commission file number 001-32373

LAS VEGAS SANDS CORP.

(Exact name of registration as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

27-0099920

(I.R.S. Employer Identification No.)

**3355 Las Vegas Boulevard South
Las Vegas, Nevada**

(Address of principal executive offices)

89109

(Zip Code)

(702) 414-1000

(Registrant's telephone number, including area code)

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

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of October 31, 2007.

LAS VEGAS SANDS CORP.

Class

Outstanding at October 31, 2007

Common Stock (\$0.001 par value)

355,148,604 shares

LAS VEGAS SANDS CORP.

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Table of Contents**ITEM 1 FINANCIAL STATEMENTS****LAS VEGAS SANDS CORP. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets
(Unaudited)**

	September 30, 2007	December 31, 2006
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,679,647	\$ 468,066
Restricted cash	262,802	398,762
Accounts receivable, net	152,307	173,683
Inventories	15,914	12,291
Deferred income taxes	22,872	15,688
Prepaid expenses and other	69,054	25,067
Total current assets	2,202,596	1,093,557
Property and equipment, net	7,656,712	4,582,325
Deferred financing costs, net	113,407	70,381
Restricted cash		555,132
Deferred income taxes	7,253	
Leasehold interest in land, net	1,030,550	801,195
Other assets, net	119,034	23,868
Total assets	\$ 11,129,552	\$ 7,126,458
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 68,118	\$ 51,038
Construction payables	722,338	329,375
Accrued interest payable	8,694	8,496
Other accrued liabilities	646,733	318,901
Income taxes payable		20,352
Current maturities of long-term debt	1,329,829	6,486
Total current liabilities	2,775,712	734,648
Other long-term liabilities	23,529	10,742
Deferred income taxes		324
Deferred gain on sale of The Grand Canal Shops	62,066	64,665
Deferred rent from The Grand Canal Shops transaction	103,853	104,773
Long-term debt	5,961,369	4,136,152

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Total liabilities	8,926,529	5,051,304
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.001 par value, 1,000,000,000 shares authorized, 355,142,369 and 354,492,452 shares issued and outstanding	355	354
Capital in excess of par value	1,045,490	990,429
Accumulated other comprehensive loss	(473)	(580)
Retained earnings	1,157,651	1,084,951
Total stockholders' equity	2,203,023	2,075,154
Total liabilities and stockholders' equity	\$ 11,129,552	\$ 7,126,458

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

Table of Contents**LAS VEGAS SANDS CORP. AND SUBSIDIARIES****Condensed Consolidated Statements of Operations
(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(In thousands, except share and per share data)			
Revenues:				
Casino	\$ 508,522	\$ 424,986	\$ 1,433,135	\$ 1,178,830
Rooms	96,718	81,651	289,588	262,443
Food and beverage	50,032	42,394	162,129	138,233
Convention, retail and other	39,058	29,908	113,397	94,189
	694,330	578,939	1,998,249	1,673,695
Less-promotional allowances	(33,380)	(25,711)	(96,155)	(73,096)
Net revenues	660,950	553,228	1,902,094	1,600,599
Operating expenses:				
Casino	341,975	232,962	904,440	655,548
Rooms	23,574	21,638	67,219	65,386
Food and beverage	28,485	20,538	79,011	67,409
Convention, retail and other	22,939	16,159	59,511	48,281
Provision for doubtful accounts	4,283	3,693	24,516	12,003
General and administrative	80,244	58,045	198,915	170,197
Corporate expense	23,444	15,654	66,657	40,859
Rental expense	8,136	3,383	23,141	10,893
Pre-opening expense	90,447	14,584	153,224	21,157
Development expense	3,621	5,968	7,227	22,997
Depreciation and amortization	54,309	26,743	121,262	76,176
Loss on disposal of assets	287	383	526	1,920
	681,744	419,750	1,705,649	1,192,826
Operating income (loss)	(20,794)	133,478	196,445	407,773
Other income (expense):				
Interest income	26,890	21,029	60,906	46,261
Interest expense, net of amounts capitalized	(72,607)	(45,343)	(161,628)	(90,443)
Other income (expense)	17,052	(680)	7,715	(530)
Loss on early retirement of debt			(10,705)	
Income (loss) before income taxes	(49,459)	108,484	92,733	363,061
Benefit (provision) for income taxes	952	(11,233)	(15,928)	(34,698)

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Net income (loss)	\$	(48,507)	\$	97,251	\$	76,805	\$	328,363
Basic earnings (loss) per share	\$	(0.14)	\$	0.27	\$	0.22	\$	0.93
Diluted earnings (loss) per share	\$	(0.14)	\$	0.27	\$	0.22	\$	0.92
Weighted average shares outstanding:								
Basic		354,856,121		354,296,742		354,716,730		354,250,901
Diluted		354,856,121		355,220,167		357,094,808		355,006,634

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

Table of Contents**LAS VEGAS SANDS CORP. AND SUBSIDIARIES****Condensed Consolidated Statements of Cash Flows
(Unaudited)**

	Nine Months Ended September 30,	
	2007	2006
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 76,805	\$ 328,363
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	121,262	76,176
Amortization of leasehold interest in land included in rental expense	16,117	
Amortization of deferred financing costs and original issue discount	18,913	8,489
Amortization of deferred gain and rent	(3,519)	(3,517)
Loss on early retirement of debt	10,705	
Loss on disposal of assets	526	1,920
Stock-based compensation expense	22,814	10,183
Provision for doubtful accounts	24,516	12,003
Foreign exchange gain	(9,960)	
Excess tax benefits from stock-based compensation	(5,865)	(888)
Deferred income taxes	(14,761)	8,751
Changes in operating assets and liabilities:		
Accounts receivable	(3,140)	(29,354)
Inventories	(3,623)	(1,696)
Prepaid expenses and other	(97,908)	(19,375)
Leasehold interest in land	(208,604)	(810,813)
Accounts payable	17,080	9,277
Accrued interest payable	198	(2,716)
Other accrued liabilities	271,979	42,362
Income taxes payable	(14,292)	
Net cash provided by (used in) operating activities	219,243	(370,835)
Cash flows from investing activities:		
Change in restricted cash	694,682	(652,073)
Capital expenditures	(2,722,067)	(1,286,892)
Acquisition of gaming license included in other assets	(50,000)	
Net cash used in investing activities	(2,077,385)	(1,938,965)
Cash flows from financing activities:		
Proceeds from exercise of stock options	23,862	3,863
Excess tax benefits from stock-based compensation	5,865	888
Proceeds from Macao credit facility	1,300,000	1,350,000

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Proceeds from Singapore credit facility	332,002	866,203
Proceeds from new senior secured credit facility-term B	3,000,000	
Proceeds from senior secured credit facility-revolver	62,000	254,129
Proceeds from airplane financings	92,250	
Proceeds from Phase II mall construction loan	52,000	51,000
Proceeds from FF&E credit facility and other long-term debt	37,249	
Repayments on senior secured credit facility-term B and term B delayed	(1,170,000)	
Repayments on senior secured credit facility-revolver	(322,128)	(25,000)
Repayments on Phase II mall construction loan	(166,500)	
Repayments on The Sands Expo Center mortgage loan	(90,868)	(3,650)
Repayments on new senior secured credit facility-term B	(7,500)	
Repayments on FF&E credit facility and other long-term debt	(7,349)	(2,333)
Repayments on airplane financings	(1,844)	
Repayments on Macao credit facility		(50,000)
Repayments on Venetian Intermediate credit facility		(50,000)
Payments of deferred financing costs	(72,178)	(49,389)
Net cash provided by financing activities	3,066,861	2,345,711
Effect of exchange rate on cash	2,862	952
Increase in cash and cash equivalents	1,211,581	36,863
Cash and cash equivalents at beginning of period	468,066	456,846
Cash and cash equivalents at end of period	\$ 1,679,647	\$ 493,709

Supplemental disclosure of cash flow information: