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DISTRICT COURT
CLARK COUNTY, NEVADA

IN RE LAS VEGAS SANDS CORP.
DERIVATIVE LITIGATION

) Case No. A576669

) Dept. No. XIX

) Consolidated with: A580258

) A582074

) DEFENDANTS' MOTION TO
) DISMISS THE
) CONSOLIDATED AMENDED
) COMPLAINT PURSUANT TO
) NEVADA RULES OF CIVIL
) PROCEDURE
) 23.1 AND 12(B)(5)

) DATE: June 4, 2009

) TIME: 1:30 p.m.

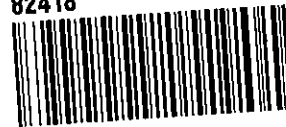
Defendants Sheldon G. Adelson, Irwin Chafetz, Andrew R.
Heyer, Charles D. Forman, George P. Koo, Michael A. Leven, James L.

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1 Purcell, Irwin A. Siegel, William P. Weidner, and Las Vegas Sands Corp.
2 ("Defendants") hereby move to dismiss the complaint filed by plaintiffs
3 Shmyer Breuer, David Barfield, Caleb Hartmann, and Frank Fosbre
4 ("Plaintiffs"). The Motion is based on the papers and pleadings on file, the
5 attached exhibits, and the points and authorities that follow.
6

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NOTICE OF MOTION

TO: Shmyer Breuer, David Barfield, Caleb Hartmann, and Frank Fosbre, Plaintiffs; and

TO: G. Mark Albright and Martin A. Muckleroy, ALBRIGHT, STODDARD, WARNICK & ALBRIGHT, Plaintiffs' attorneys of record.

PLEASE TAKE NOTICE that the undersigned will bring the foregoing motion on for hearing before the above entitled Court on the 4th day of June, 2009 at the hour of 1:30 p.m.

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By 

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**MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION TO
DISMISS THE CONSOLIDATED AMENDED COMPLAINT
PURSUANT TO NEVADA
RULES OF CIVIL PROCEDURE 23.1 AND 12(b)(5)**

INTRODUCTION

Plaintiffs are four individual shareholders of Las Vegas Sands Corp. ("Las Vegas Sands" or the "Company") who seek to bring a shareholder derivative action on behalf of the Company against certain current and former members of its Board of Directors (the "Board"). This opportunistic lawsuit comes in the midst of a global recession that has

1 resulted in a steep decline in gaming patrons worldwide and has crippled
2 the industry's access to funds for operations and expansion into local and
3 foreign markets. In Las Vegas, for example, where the Company is
4 headquartered, tourism is significantly down, and construction projects
5 planned or underway in the gaming industry have been postponed
6 indefinitely (e.g., Echelon Palace and The Plaza). Money to employ
7 contractors and build projects is extremely difficult to obtain—e.g.,
8 CityCenter, where prospects for the funding needed to complete the project
9 "look bleak in a global recession."¹

10 In this economic environment and based on wholly conclusory
11 allegations, plaintiffs cynically claim that the Board failed to prevent the
12 Company's cash crunch and exposed the Company to potential losses in
13 connection with its ongoing development projects. Plaintiffs also
14 mischaracterize the Company's efforts to remedy its cash crunch as
15 actionable dilution, even though these efforts brought new funds into the
16 Company and resulted in a substantial increase in the public stockholders'
17 ownership share. Plaintiffs' claims fail and should be dismissed based on
18 two separate grounds: (1) plaintiffs have not alleged with particularity facts
19 that excuse their failure to make a demand, and the Consolidated Amended
20 Shareholder Derivative Complaint ("Amended Complaint" or "Am.
21 Compl.") should be dismissed pursuant to Nevada Rule of Civil Procedure
22 23.1; and (2) plaintiffs' substantive allegations fail to state a claim, and
23 should be dismissed pursuant to Nevada Rule of Civil Procedure 12(b)(5).

24 First, plaintiffs neither made a demand on the Board nor
25 adequately plead that such demand is excused.² In Nevada, a "board of
26

27 ¹ See *Las Vegas trophy project becomes a symbol of trouble*, April 9, 2009, available at
28 <http://uk.reuters.com/article/stocksAndSharesNews/idUKLNE53802620090409>.

² As discussed below, plaintiff Fosbre's claim that he made a demand on the Board is simply false, and should be rejected.

1 directors has full control over the affairs of the corporation," including the
2 decision to pursue litigation on the corporation's behalf. *See* NRS 78.120(1);
3 *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 137 P.3d 1171, 1178 (Nev. 2006).
4 Prior to instituting litigation in the name of a corporation, a shareholder
5 seeking to exercise corporate authority must first make a demand on the
6 board of directors that the board take the shareholder's desired action. If, as
7 here, the shareholder fails to make a demand, then it is the shareholder's
8 heavy burden to allege with *particularity* the reasons that justify dispensing
9 with the demand required by NRCP 23.1 and NRS 41.520(2). *Shoen*, 122
10 Nev. at 633-34, 137 P.3d at 1179. Demand is excused only if the facts alleged
11 by the shareholder demonstrate that the board of directors is incapable of
12 exercising its "independent and disinterested business judgment in
13 responding to a demand." *Rales v. Blasband*, 634 A.2d 927, 934 (Del. 1993).

14 No such allegations of "demand futility" have been made in this
15 case. Stripped of its conclusory, boilerplate, and extraneous allegations, the
16 Amended Complaint contains no particularized facts demonstrating self-
17 interested or wrongful conduct by any of the defendant directors. To
18 survive under NRCP 23.1, the Amended Complaint must allege
19 particularized facts showing that the Company's directors engaged in
20 *intentionally* wrongful conduct. *See Shoen*, 122 Nev. at 640, 137 P.3d at 1184.
21 Plaintiffs make no such allegations. Instead, the Amended Complaint
22 contains a variety of conclusory allegations of demand futility, all of which
23 are clearly foreclosed by the applicable case law.

24 Second, the Amended Complaint fails under Rule 12(b)(5) on the
25 independent ground that plaintiffs' claims are barred by Nevada law and by
26 Las Vegas Sands' Articles of Incorporation, which protect directors from
27 liability for any conduct other than "intentional misconduct, fraud or a
28 knowing violation of law." *See* NRS 78.138(7); Certificate of Amended and

1 Restated Articles of Incorporation of Las Vegas Sands Corp. (Ex. A) ¶ 6
2 ("Limitation on Liability"). The Amended Complaint contains no factual
3 allegations that even hint at any intentional misconduct, fraud, or knowing
4 violation of law, and should also be dismissed for this independent reason.

5 FACTUAL BACKGROUND

6 Las Vegas Sands and its subsidiaries develop and operate large
7 integrated resorts worldwide. (Am. Compl. ¶ 2.) The Company owns or is
8 developing properties in Las Vegas; Macao, China; Singapore; and
9 Bethlehem, Pennsylvania. (*Id.* ¶ 31.) The Company's Las Vegas operations
10 consist of several of the most recognized properties in Las Vegas, including
11 The Palazzo Resort Hotel Casino, The Venetian Resort Hotel Casino, and
12 The Sands Expo and Convention Center. (*Id.* ¶ 32.) The hotel, resort and
13 casino business in Las Vegas; in Macao, China; and worldwide is highly
14 competitive. *See* Las Vegas Sands 2008 Form 10-K, filed on March 2, 2009
15 (Ex. B) at 28, 34 (referred to in Am. Compl. ¶¶ 32-33).³ The Company's
16 principal competitors are Wynn Resorts Ltd. and MGM Mirage. *See* Ex. B at
17 44.

18 Macao is regarded as the largest and fastest-growing gaming
19 market in the world, and is the only market in China to offer legalized
20 casino gaming. (Am. Compl. ¶ 33; Ex. B at 7.) In 2004, the Company opened
21 the Sands Macao, the first Las Vegas-style casino in Macao. (Am. Compl. ¶
22 33; Ex. B at 7.) In 2007, the Company opened The Venetian Macao. (*Id.*).
23 Like the Sands Macao, The Venetian Macao quickly welcomed millions of
24 guests—more than 14 million in its first eight months of operation. *See Las*

25
26 ³ It is well-established that, when ruling on the instant motion to dismiss, the Court may
27 take into account matters of public record, any exhibits attached to the complaint, and
28 any documents incorporated by reference therein. *See Breliant v. Preferred Equities Corp.*,
109 Nev. 842, 847, 858 P.2d 1258, 1261 (1993); *see also Whitehead v. Nevada Comm'n on*
Judicial Discipline, 110 Nev. 380, 418 n.35, 873 P.2d 946, 970 n.35 (1994) ("[T]he court may
appropriately take judicial notice of facts capable of accurate and ready determination by
resort to sources whose accuracy cannot reasonably be questioned.").

1 *Vegas Sands Corp. Reports First Quarter 2008 Results*, April 30, 2008 (Ex. C)
2 (referred to in Am. Compl. ¶ 37). Currently, the Company's Macao
3 operations consist of the Sands Macao, The Venetian Macao, the Four
4 Seasons Macao, and other ancillary operations that support these properties.
5 (See Ex. B at 2.) Las Vegas Sands' principal competitors, MGM Mirage and
6 Wynn Resorts Ltd., also operate resorts in Macao. (See *id.* at 8, 30-31.)

7 As of March 20, 2009, the Company has seven distinguished
8 businesspeople serving on its Board of Directors:⁴

- 9
10 • **Sheldon Adelson** is the Company's Chairman and Chief
11 Executive Officer, and has extensive experience in the
12 convention, trade show, and tour and travel businesses.
13 (Am. Compl. ¶ 19.)
- 14 • **Irwin Chafetz** is a director of The Interface Group, LLC.
15 He has been a director of Las Vegas Sands since March
16 2005, and was a director of Las Vegas Sands, Inc. from
17 March until July 2005, and from 1989 to 1995. (*Id.* ¶ 21-22.)
- 18 • **Charles Forman** formerly was the Chairman and CEO of
19 Centric Events Group, LLC, a trade show and conference
20 business, and formerly was Vice President and General
21 Counsel of The Interface Group, a tradeshow and
22 convention business. (*Id.* ¶ 23.)
- 23 • **George Koo** is a special advisor to the Chinese Services
24 Group of Deloitte & Touche LLP, and previously served as
25 the Director of that group. He is also a member of the
26 Committee of 100, a national organization of prominent
27 Chinese Americans, the Pacific Council for International
28 Policy, the Beijing-based Overseas Friendship Association,
and a director of New America Media, a non-profit
organization. (*Id.* ¶ 26.)
- **Michael Leven** is the former Chairman, CEO, and
President of U.S. Franchise Systems, Inc., which franchises
the Microtel Inns & Suites and Hawthorn Suites brands.
He is also the former President and COO of Holiday Inns
Worldwide, and the former president of Days Inn of

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America. He also serves on many non-profit boards. Mr. Leven has been described as the "de facto leader" of the independent members of the Board, and has spent over 40 years of his career in the hotel industry. Mr. Leven recently became the Company's President and COO. (*Id.* ¶ 24.)

- **Jeffrey Schwartz** is the chairman and co-founder of Global Logistic Properties, a venture that controls the largest platform of logistic facilities in Asia. Prior to that role, Mr. Schwartz was chairman and chief executive officer of the Fortune 500 Company ProLogis. *See Las Vegas Sands Announces Election of Jeffrey H. Schwartz to Board of Directors*, March 30, 2009 (referred to in Am. Compl. ¶ 82) (Ex. D).
- **Irwin Siegel** is a certified public accountant and was a partner (specializing in the hospitality industry) at Deloitte & Touche LLP for 30 years. He has served on the boards of directors of many charitable and civic organizations, and is the president of the Weinstein Hospice in Atlanta, Georgia. (*Id.* ¶ 25.)

Plaintiffs do not make any allegations of wrongdoing against director Schwartz. Plaintiffs claim that the six remaining directors⁵ breached their fiduciary duties to the Company.

Generally, Las Vegas Sands funds its development projects through a variety of means, including borrowing under bank credit facilities, operating cash flows, and selling non-core assets. *See* Ex. B at 61. The Company began securing additional borrowing capacity for its existing and future development and operations in 2007, and had expected to complete its financings and refinancings in 2008. *See* Las Vegas Sands 3rd

⁵ In the Amended Complaint, plaintiffs also seek to sue three former directors: Andrew Heyer, James Purcell and William Weidner. Each of them was also a distinguished and successful businessperson. Mr. Purcell served on the Board at the time the original complaint was filed. He retired as a partner at the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, where he worked for over 35 years, and is also a Director Emeritus of King's College. (*Id.* ¶ 28.) William Weidner also served on the Board at the time the original complaint was filed, and was the Company's President and Chief Operating Officer ("COO"). He was the President and COO of the Company's wholly-owned subsidiary, Las Vegas Sands, LLC, and was a director of that company. He has also served on the board of directors of Shorewood Packaging Corporation since 1993. (*Id.* ¶ 27.) Andrew Heyer served on the Board until November 19, 2008, and left the Board before the original complaint was filed. (*Id.* ¶ 29.) Subsequent to the filing of the Amended Complaint on March 20, 2009, a new director, Jason N. Ader, joined the Sands' Board. (*See* Las Vegas Sands 8-K dated April 15, 2009 (Ex. E).)

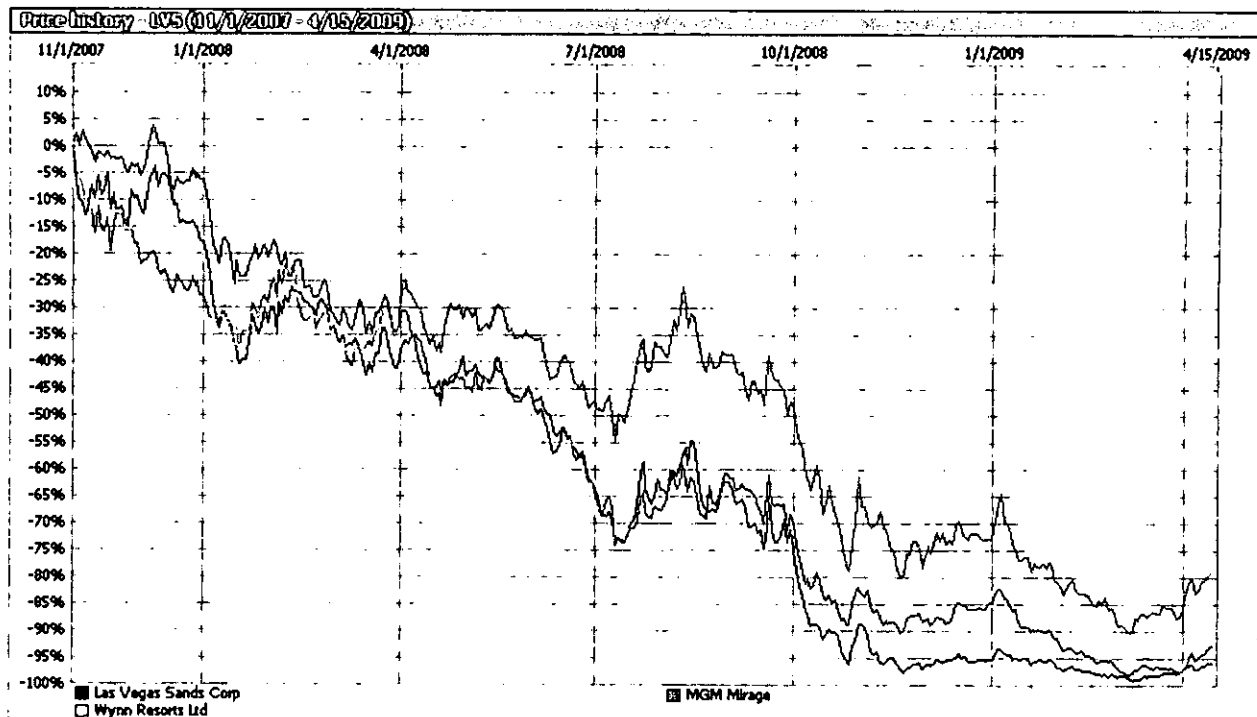
1 Quarter 2008 Form 10-Q, filed Nov. 10, 2008 (Ex. F) at 55 (referred to in Am.
2 Compl. ¶ 56). However, the Company's plans were impacted during 2008
3 by the global economic downturn, which substantially weakened the
4 gaming markets in both Las Vegas and Macao. See Am. Compl. ¶¶ 36-41,
5 44, 55, 71; Ex. B at 23. The Company's issues were far from unique, as one of
6 the analysts cited by plaintiffs wrote:

7 It's also important to note that [Las Vegas Sands] is
8 not entirely alone in its struggles in Vegas. In fact,
9 other industry stalwarts including MGM Mirage and
10 Wynn have had their share of troubles... as
11 evidenced by recent earnings results showing
12 declining year-over-year revenues from their Vegas
13 operations.

14 *Las Vegas Sands Is A Bad Bet*, Aug. 4, 2008 (Ex. G) at 1 (referred to in Am.
15 Compl. ¶ 39).⁶ The parallel economic issues confronting Las Vegas Sands,
16 MGM Mirage, and Wynn are illustrated by the following chart tracking the
17 companies' stock prices: Las Vegas Sands' stock price essentially moved in
18 tandem with its principal competitors over the entire period referenced in
19 the Amended Complaint.

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27 ⁶ See also, e.g., Am. Compl. at 44 ("The Nevada Gaming Control Board released a report in
28 which it disclosed that Las Vegas Strip revenue had declined by approximately 14.7% in
 July 2008, and slot win (the amount casinos keep from their slot machines) was off by
 9%."); *Adelson Antes Up For Sands*, Nov. 11, 2008 (Ex. H) (referred to in Am. Compl. ¶ 60)
 (noting that "sagging U.S. consumer spending power has hurt business in Las Vegas).

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(Chart source: www.moneycentral.msn.com. Full chart attached as Ex. I.⁷)

The economy was not the only challenge faced by the gaming markets over this period. Shortly before the Company planned to obtain additional financing, China imposed visa restrictions limiting the number of permitted visits by Chinese nationals to Macao. (See Am. Compl. ¶¶ 47, 70.) Because Chinese nationals make up more than half the patrons of casinos in Macao, China's policy significantly reduced the number of visitors to Macao from mainland China, which adversely affected tourism and the gaming industry in Macao. See Ex. B at 34; *S&P Keeps Las Vegas Sands Ratings Under Review*, Oct. 1, 2008 (Ex. J) at 1 (referred to in Am. Compl. ¶ 46).

⁷ The Court may take judicial notice of stock prices on a motion to dismiss because they can be accurately and readily determined by using sources "whose accuracy cannot reasonably be questioned." See *Whitehead*, 110 Nev. at 418 n.35, 873 P.2d at 970 n.35 ("[T]he court may appropriately take judicial notice of facts capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned."); see also, e.g., *Pugh v. Tribune Co.*, 521 F.3d 686, 691 n.2 (7th Cir. 2008) ("We may take judicial notice of documents in the public record, including publicly reported stock prices, without converting a motion to dismiss into a motion for summary judgment.").

1 As a result of the deteriorating economy and adverse visa
2 developments in Macao, Las Vegas Sands faced increased cash flow needs,
3 which in turn threatened to trigger a breach of the Company's maximum
4 leverage ratio covenant in its U.S. credit facilities. *See* Am. Compl. ¶¶ 41-53;
5 Ex. B at 61-62. Management and the directors engaged in robust debate on
6 how to obtain liquidity and avoid a covenant breach. (Am. Compl. ¶¶ 63.)
7 The directors also instituted additional corporate policies and procedures,
8 forming a three-member committee to address disagreements among
9 management. (*See id.* ¶ 5; Ex. F at 41.)

10 In late September 2008, the Company received the funds it
11 needed when director Adelson and his family purchased \$475 million in
12 convertible senior notes. (*See* Am. Compl. ¶ 45.) Thereafter, Las Vegas
13 Sands (like its global competitors) also strategically suspended portions of
14 certain development projects and focused development efforts on those
15 projects with the highest rates of expected returns. (Am. Compl. ¶¶ 55, 58;
16 Ex. F at 6.⁸) Indeed, as economic prospects in Las Vegas and Macao
17 dimmed, so did the market capitalization of the Company's principal
18 competitors, Wynn Resorts Ltd. and MGM Mirage.⁹ *See* Ex. B at 44; Ex. G at
19 1; Ex. I at 1.

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21 ⁸ For example, Las Vegas Sands announced the suspension of the St. Regis Residences, a
22 portion of Sands Bethlehem, and its revised development plans for parcels in Macao.
23 (*See* Am. Compl. ¶¶ 55, 58; Ex. F at 7.) The Company's major global competitors were
24 forced to do the same. *See Las Vegas Sands Says It's Ready For Future*, Nov. 17, 2008 (Ex. K)
25 at 2 (referred to in Am. Compl. ¶ 63).

26 ⁹ The global credit crisis has impacted the entire gaming industry. *See Sands' Adelson To*
27 *Partake In Capital Program*, Oct. 24, 2008 (Ex. L) at 1 (referred to in Am. Compl. ¶ 50).
28 Boyd Gaming Corporation postponed work on its \$4.8 billion Echelon resort in Las
Vegas, and its default rating was lowered. *Id.* MGM Mirage's default rating was
downgraded in October 2008 due to MGM Mirage's difficulty paying for its \$9.2 billion
CityCenter complex. *Id.* MGM Mirage has disclosed that there is substantial doubt that
MGM Mirage will be able to continue as a going concern, and that it does not expect to
comply with its 2009 debt covenants. *See* MGM Mirage 2008 Form 10-K, filed on March
17, 2009 (Ex. M) at 13.

1 In November 2008, Las Vegas Sands raised substantial new
2 equity. Approximately \$2.1 billion of equity was infused into the Company
3 after "robust debate within the organization." (Am. Compl. ¶ 63.) This
4 included another large investment by director Adelson. (*Id.*, Ex. H.) As a
5 result of this new capital, PricewaterhouseCoopers LLP withdrew its earlier
6 qualified statement as to the Company's finances. (Am. Compl. ¶ 63.)

7 In this public offering, Las Vegas Sands issued 200 million shares
8 of common stock at \$5.50 per share. The Company also sold 5.19 million
9 \$100 units of preferred shares and warrants to purchase an aggregate of 86.6
10 million shares of common stock at an exercise price of \$6.00 per share. *See*
11 *Las Vegas Sands Updates Transaction Information*, Nov. 11, 2008 (Ex. N)
12 (referred to in Am. Compl. ¶ 57); Ex. H at 1. Director Adelson and his
13 family converted their senior notes into 86.3 million shares of common stock
14 at a conversion price *equal* to the public offering price of \$5.50 per share. *See*
15 Ex. N at 1. The Company sold to Mr. Adelson and his family approximately
16 5.26 million \$100 units consisting of preferred shares and warrants to
17 purchase an aggregate of 87.5 million shares of common stock at an exercise
18 price of \$6.00. *Id.* This sale was also made *on the same terms* as those offered
19 to the public in the underwritten offering. *Id.*

20 As a result of this transaction, director Adelson's percentage
21 ownership of the Company declined from approximately 68.9% to
22 approximately 52%.¹⁰ (Am. Compl. ¶ 20.) At the same time, the public
23 offering increased the percentage owned by public shareholders from
24 approximately 31.1% to 48%. (*Id.* ¶¶ 66, 92.)

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28 ¹⁰ This 52% figure includes stock owned by Mr. Adelson and his family members, and
stock held in trusts for the benefit of Mr. Adelson and/or his family members. (*See* Ex. B
at 27.)

ARGUMENT

This shareholder derivative action should be dismissed for two reasons. First, plaintiffs did not make the required demand on Las Vegas Sands' Board of Directors and have not demonstrated that demand is excused, as required by Nevada Rule of Civil Procedure 23.1. *See Shoen*, 122 Nev. at 633-34 and n.14, 137 P.3d at 1179 and n.14; NRCP. 23.1. Second, plaintiffs' substantive allegations fail to state a claim, and should be dismissed pursuant to Nevada Rule of Civil Procedure 12(b)(5).

I. THE AMENDED COMPLAINT SHOULD BE DISMISSED PURSUANT TO RULE 23.1 BECAUSE PLAINTIFFS FAILED TO MAKE A DEMAND AND HAVE NOT PLED WITH THE REQUISITE PARTICULARITY THAT DEMAND WOULD HAVE BEEN FUTILE.

One of the fundamental policies underlying Nevada corporate law is that "a corporation's board of directors has full control over the affairs of the corporation." *Shoen*, 122 Nev. at 632, 137 P.3d at 1178 (quoting NRS 78.120(1)). This includes the power to decide whether the Company should engage in litigation. *See Shoen*, 122 Nev. at 632, 137 P.3d at 1179; *Levine v. Smith*, 591 A.2d 194, 200 (Del. 1991), *overruled in part on other grounds by Brehm v. Eisner*, 746 A.2d 244 (Del. 2000).¹¹ A shareholder derivative action provides a narrow exception to this rule. *See Aronson v. Lewis*, 473 A.2d 805, 811 (Del. 1984), *overruled in part on other grounds by Brehm*, 746 A.2d 244 (a shareholder derivative action "[b]y its very nature . . . impinges on the managerial freedom of directors.>").

¹¹ Nevada courts have adopted the test applied by Delaware courts to determine whether demand upon the board of directors is futile. *See Shoen*, 122 Nev. at 641, 137 P.3d at 1184 ("The Delaware court's approach is a well-reasoned method for analyzing demand futility and is highly applicable in the context of Nevada's corporations law. Hence, we adopt the test described in *Aronson*, as modified by *Rales*, above.").

1 A shareholder's ability to bring a derivative action is limited by
2 what is commonly known as the "demand requirement." As the Nevada
3 Supreme Court explained, "because the power to manage the corporation's
4 affairs resides in the board of directors, a shareholder must, before filing
5 suit, make a demand on the board . . . to obtain the action that the
6 shareholder desires." *Shoen*, 122 Nev. at 633, 137 P.3d at 1179.

7 The demand requirement serves many important goals:
8 First, a demand informs the directors of the complaining
9 shareholder's concerns and gives them an opportunity to control
10 any acts needed to correct improper conduct or actions,
11 including any necessary litigation. . . . Second, the demand
12 requirement protects clearly discretionary directorial conduct
13 and corporate assets by discouraging unnecessary, unfounded,
14 or improper shareholder actions. Thus, in "promoting ...
15 alternate dispute resolution, rather than immediate recourse to
16 litigation, the demand requirement is a recognition of the
17 fundamental precept that directors manage the business and
18 affairs of corporations."

19 *Id.*; see also *Aronson*, 473 A.2d at 811-12 (the demand requirement "exists at
20 the threshold, first to insure that a stockholder exhausts his intracorporate
21 remedies, and then to provide a safeguard against strike suits."). If the
22 shareholder plaintiff fails to make the required demand, it must
23 demonstrate that such a demand would be futile before being permitted to
24 proceed with the litigation. *Shoen*, 122 Nev. at 633-34, 137 P.3d at 1179-80.
25 In this case, plaintiffs have neither made a demand nor demonstrated that
26 making such a demand would have been futile.

27 **A. Plaintiffs Did Not Make a Demand.**

28 Three of the plaintiffs bringing this Amended Complaint admit
that they did not make a demand (Am. Compl. ¶ 85), but one, Frank J.
Fosbre, Jr., now claims that he previously made a demand that has been
improperly refused. (*Id.* ¶¶ 133-134.) Specifically, plaintiff Fosbre now
asserts that he "made a demand by letter dated January 15, 2009." (*Id.* ¶ 133.)

1 This is clearly false. Plaintiff Fosbre's original complaint—filed
2 on February 6, 2009 (three weeks after his January 15, 2009 letter and six
3 weeks prior to the filing of the Amended Complaint)—specifically alleged
4 that "he did not make a demand on the Board to bring this action because
5 demand would be futile and/or excused." (*Fosbre Compl.* ¶ 56.) Plaintiff
6 Fosbre personally verified that allegation. (*Id.*, Verification of Frank J.
7 Fosbre, Jr.) Plaintiff Fosbre cannot have it both ways.

8 Moreover, plaintiff Fosbre's fabricated new allegation that he
9 made a demand is plainly belied by the actual letter attached as Exhibit A to
10 the Amended Complaint. That letter is headed "*Demand for Inspection of*
11 *Books and Records of Las Vegas Sands Corp.*" and clearly is nothing more
12 than a demand to review the Company's books and records. (*Am. Compl.*
13 *Ex. A at 1* (emphasis added).) This books and records request does not
14 satisfy the legal test to be a demand in the Rule 23.1 context. Under that test,

15 [t]o constitute a demand, a communication must
16 specifically state: (i) the identity of the alleged
17 wrongdoers, (ii) the wrongdoing they allegedly
18 perpetrated and the resultant injury to the corporation,
19 and (iii) the legal action the shareholder wants the board to
20 take on the corporation's behalf.

21 *Khanna v. McMinn*, No. Civ.A 20545-NC, 2006 WL 1388744, at *13 (Del. Ch.
22 May 9, 2006). Moreover, "[p]olicy considerations require that the burden lie
23 with the party asserting that a demand was made, and that ambiguous
24 communications be construed against a finding of a demand." *Yaw v. Talley*,
25 No. Civ.A. 12882, 1994 WL 89019, at *7-8 (Del. Ch. Mar. 2, 1994). The
26 reasons behind such policy considerations are clear:

27 To interpret an ambiguous communication as a demand would
28 discourage a shareholder from bringing potential wrongdoing to
the corporation's attention in a forum other than the courtroom,
for fear that his position, should he later decide to sue
derivatively, would procedurally be more difficult to support.
Furthermore, to require a board to investigate claims asserted
ambiguously in an equivocal communication would not be an
efficient use of corporate resources, because the board would

1 lack the information necessary to make a good faith inquiry.
2 Therefore, an ambiguous communication (i.e., one which does
3 not clearly and specifically embody the three essential elements
4 discussed above) ought not to be considered a demand within
5 the meaning of Rule 23.1.

6 *Id.* at *8 (rejecting as a demand letters that did not "specifically request that
7 the board embark upon a particular course of remedial corporate action").¹²

8 Plaintiff Fosbre's letter plainly does not meet his burden. Not
9 only does the letter fail to identify any alleged wrongdoers or wrongdoing,
10 but it does not request the board take any action on the corporation's behalf.
11 To the contrary, it merely indicates derivative litigation as a possible future
12 course of action that Fosbre may take *after* the books and records inspection.
13 (*Id.*) This letter does not meet the requirements of Rule 23.1.

14 **B. Plaintiffs Have Not Met the Rigorous Pleading Standard of**
15 **Rule 23.1.**

16 Because plaintiffs have not made a demand, the Amended
17 Complaint must be dismissed under Nevada law unless plaintiffs can
18 demonstrate that demand is excused. *See Shoen*, 122 Nev. at 634, 137 P.3d at
19 1180; *see also Energytec, Inc. v. Proctor*, CA Nos. 06-CV-0871-L, 06-CV-0933-L,
20 2008 WL 4131257, at *5 (N.D. Tex. Aug. 29, 2008) (applying Nevada law); *In*
21 *re Comp. Sciences Corp. Deriv. Litig. (In re Comp. Sciences Corp. II)*, Nos. CV 06-
22 05288 MRP, CV 06-05356, XC 06-06512, 244 F.R.D. 580, 585 (C.D. Cal. Jul. 24,
23 2007) (applying Nevada law), *aff'd Laborers' Intern. Union of North America v.*
24 *Bailey*, 2009 WL 159250 (9th Cir. Jan. 23, 2009). Plaintiffs must set forth with
25 particularity the reasons why demand is excused. *See* NRCP. 23.1; NRS
26 41.520(2); *Shoen*, 122 Nev. at 633-34, 137 P.3d at 1179 (Rule 23.1 "imposes
27 heightened pleading imperatives in shareholder derivative suits."). While
28 plaintiffs are not required to plead evidence, "mere conclusory assertions

¹² *See also Gatz v. Ponsoldt*, No. Civ.A. 174-N, 2004 WL 3029868, at *5 (Del. Ch. Nov. 5, 2004) (rejecting as demand a letter that did not identify who was in the wrong or what the unspecified wrongdoers did).

1 will not suffice under NRCP 23.1's 'with particularity' standard." *Shoen*, 122
2 Nev. at 634, 137 P.3d at 1180.¹³

3 Where, as here, plaintiffs' claims are based on an alleged failure
4 of the board to act, the test for demand futility measures "whether
5 *particularized facts* demonstrate . . . a reasonable doubt that the board can
6 impartially consider a demand." *Shoen*, 122 Nev. at 641, 137 P.3d at 1184
7 (emphasis added). The burden is on plaintiffs to plead particularized facts
8 that raise a reasonable doubt that the majority of the directors are
9 disinterested and independent. *See id.*, 122 Nev. at 641 and n.62, 137 P.3d at
10 1184 and n.62. As stated in *Rales*, which was expressly adopted in *Shoen*, the
11 test for demand futility measures "whether or not the particularized factual
12 allegations of a derivative stockholder complaint create a reasonable doubt
13 that, as of the time the complaint is filed, the board of directors could have
14 properly exercised its independent and disinterested business judgment in
15 responding to a demand." 634 A.2d at 934.

16 Here, the membership of Las Vegas Sands' Board changed
17 between the date of the filing of the original complaints and the date of the
18 filing of the Amended Complaint. Thus, as an initial matter, the Court must
19 determine which board of directors the claim of demand futility is to be
20 tested against. On this issue, there is no Nevada law. But Delaware law on
21 this point, which Nevada courts look to in questions related to shareholder
22 derivative suits, *see Shoen*, 122 Nev. at 641, 137 P.3d at 1184, is clear. If the
23 claims presented in the Amended Complaint were not "already validly in

24
25 ¹³ *See also Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart*, 845 A.2d 1040, 1048
26 (Del. 2004) ("Conclusory allegations are not considered as expressly pleaded facts or
27 factual inferences. Likewise, inferences that are not objectively reasonable cannot be
28 drawn in the plaintiff's favor."); *Grobow v. Perot*, 539 A.2d 180, 187 (Del. 1988), *overruled on*
other grounds by *Brehm*, 746 A.2d 244 ("[O]nly well-pleaded allegations of fact must be
accepted as true; conclusory allegations of fact or law not supported by allegations of
specific fact may not be taken as true."); *Guttman v. Huang*, 823 A.2d 492, 499 (Del. Ch.
2003) ("[The court] cannot accept cursory contentions of wrongdoing as a substitute for
the pleading of particularized facts.").

1 litigation," then plaintiffs are required to make a demand or plead demand
2 futility on the Board that existed at the time the Amended Complaint was
3 filed. See *In re Affiliated Comp. Servs., Inc. S'holder Litig.*, C.A. No. 2821-VCL,
4 2009 WL 296078, at *10 (Del. Ch. Feb. 6, 2009); *Braddock v. Zimmerman*, 906
5 A.2d 776, 786 (Del. 2006). "Validly in litigation" refers to a complaint that
6 could survive or has already survived a motion to dismiss. See *In re*
7 *Affiliated Comp. Servs., Inc.*, 2009 WL 296078, at *7. Three circumstances must
8 exist to excuse plaintiffs from demonstrating demand futility at the time of
9 filing their Amended Complaint: "(1) the original complaint was well
10 pleaded as a derivative action; (2) the original complaint satisfied the legal
11 test for demand excusal; and (3) the act or transaction complained of is
12 essentially the same as the act or transaction challenged in the original
13 complaint." *Id.* (quoting *Braddock*, 906 A.2d at 779).

14 As demonstrated below, because the original complaints¹⁴ would
15 not have survived defendants' Rule 23.1 motion to dismiss, there were no
16 claims validly in litigation at the time the Amended Complaint was filed.
17 Therefore, plaintiffs must demonstrate demand futility with respect to the
18 Board as it existed on March 20, 2009, the day plaintiffs filed their Amended
19 Complaint. This plaintiffs fail to do.

20 Plaintiffs' failure to make sufficient allegations of demand
21 futility with respect to either Board is fatal to their claims. As set forth
22 below, in both their original complaints and the Amended Complaint,
23 plaintiffs' conclusory allegations are not sufficient to overcome the two-
24 prong presumption of disinterestedness and independence to which the
25 directors are entitled under Nevada law. See *Shoen*, 122 Nev. at 632, 137 P.3d
26

27 ¹⁴ While two of the consolidated plaintiffs' complaints were filed subsequent to
28 November 26, 2008 (*i.e.*, *Fosbre* and *Hartmann*), these complaints were filed prior to the
changes in the membership of the Las Vegas Sands' Board. These complaints, along with
the *Breuer* and *Barfield* complaints, are the "original complaints."

1 at 1178-79 (directors are afforded the protection of the business judgment
2 rule, which is a "presumption that in making a business decision the
3 directors of the corporation acted on an informed basis, in good faith and in
4 the honest belief that the action taken was in the best interests of the
5 company"). See also *In re Comp. Sciences Corp. Deriv. Litig. (In re Comp.*
6 *Sciences Corp. I)*, No. CV 06-05288 MRP, 2007 WL 1321715, at *9 (C.D. Cal.
7 Mar. 26, 2007) (under Nevada law, "directors are entitled to a presumption
8 that they were faithful to their fiduciary duties"); NRS 78.138(3) ("Directors
9 and officers, in deciding upon matters of business, are presumed to act in
10 good faith, on an informed basis and with a view to the interests of the
11 corporation.").

12 **1. Plaintiffs Fail to Allege Particularized Facts Sufficient to**
13 **Create a Reasonable Doubt Regarding the Disinterest of**
14 **a Majority of Either the November 26, 2008 or March 20,**
15 **2009 Boards.**

16 **a. Plaintiffs' Original Complaints Failed To Satisfy**
17 **This Standard With Respect to the November 26,**
18 **2008 Board.**

19 To determine whether the original complaints were "validly in
20 litigation" at the time the Amended Complaint was filed, the Court must
21 apply Nevada's demand futility test with respect to the board that existed at
22 the time the original complaints were filed. At that time, there were eight
23 directors on Las Vegas Sands' board of directors: Adelson, Chafetz, Forman,
24 Koo, Leven, Purcell, Siegel and Weidner. To excuse demand and to have
25 survived a motion to dismiss, plaintiffs must have alleged particularized
26 facts sufficient to create a reasonable doubt as to the disinterest of at least
27 four of Las Vegas Sands' eight directors. See *Shoen*, 122 Nev. at 641 n.62, 137
28 P.3d at 1184 n.62. Plaintiffs did not meet this burden.

1 Directors are considered interested if they will be "materially
2 affected, either to [their] benefit or detriment, by a decision of the board, in a
3 manner not shared by the corporation and the stockholders." *Id.*, 122 Nev.
4 at 639, 137 P.3d at 1183 (quoting *Seminaris v. Landa*, 662 A.2d 1350, 1354 (Del.
5 Ch. 1995)). However, the original complaints contained absolutely no
6 allegations that any of the directors had a disqualifying personal financial
7 interest in the underlying business decisions leading up to the Company's
8 credit crunch or had an interest that was not equally shared by Las Vegas
9 Sands and other shareholders. Instead, plaintiffs based their allegations of
10 interest on two insufficient grounds: (1) the claim that director Adelson was
11 interested because he participated in the transactions that provided cash
12 infusions in September and November 2008; and (2) the claim that all of the
13 members of the Board face a substantial likelihood of liability for their
14 actions.

15 **i. Adelson was not interested in the transactions**
16 **that took place in the fall of 2008, nor did**
17 **those transactions constitute dilution.**

18 Plaintiffs alleged that the cash infusions that took place in
19 September and November 2008 resulted in the "dilution of the minority
20 public shareholders' interests in the Company." (*Fosbre* Compl. ¶¶ 76-80.)
21 Plaintiffs also alleged that director Adelson was interested in the underlying
22 transaction that allegedly resulted in this dilution. (*Id.* ¶ 3.) Both arguments
23 were unsupported, and flatly contradicted by the alleged facts.

24 First, as a matter of law, plaintiffs did not plead an actionable
25 claim of dilution. As explained by the Delaware Chancery Court, "[c]learly,
26 a corporation is free to enter into (in good faith) numerous transactions, all
27 of which may result legitimately in the dilution of the public float. Such
28 dilution is a natural and necessary consequence of investing in a corporation

1 The only cognizable injuries, if any, would be a failure to act in the best
2 interest of [the corporation]." *Oliver v. Boston Univ.*, No. Civ.A. 16570-NC,
3 2006 WL 1064169, at *17 (Del Ch. Apr. 14, 2006) (quoting *Gatz v. Ponsoldt*,
4 No. Civ.A. 174-N, 2004 WL 3029868, at *7 (Del. Ch. Nov. 5, 2004), *rev'd on*
5 *other grounds*, 925 A.2d 1265 (Del. 2007).) Not only in this case did the
6 Company's \$2.1 billion equity raise actually *increase* the public float, but
7 plaintiffs did not offer a single allegation to support the conclusion that the
8 Board failed to act in the best interests of the Company by approving this
9 equity raise. Indeed, plaintiffs themselves alleged to the contrary, alleging
10 that had the equity infusion transactions not taken place, the Company
11 would have violated its debt covenants and would have faced a going
12 concern qualification from its auditors. (*See Fosbre Compl.* ¶¶ 42-43.)

13 Second, plaintiffs failed to allege any facts indicating that
14 Adelson acted in a self-interested manner with regard to the equity raise.
15 Here again, the facts pled in the original complaints and disclosed in the
16 Company's public filings demonstrate that Adelson was treated in the
17 transactions *exactly* as was any other stockholder. *See Shoen*, 122 Nev. at 639,
18 137 P.3d at 1183 (directors are interested if they are "materially affected,
19 either to [their] benefit or detriment, by a decision of the board, in a manner
20 not shared by the corporation and the stockholders."); *see also In re Affiliated*
21 *Computer Servs., Inc.*, 2009 WL 296078, at *8 ("A director is disablingly
22 interested where he or she will receive a greater than pro rata financial
23 benefit or suffer a smaller than pro rata material detriment."). Specifically,
24 as part of the equity raise, Adelson converted notes to shares of stock on
25 exactly the same terms at which those shares were offered to the public, and
26 he purchased warrants for exactly the same terms that those warrants were
27 offered to the public. (Ex. N at 1.) Finally, Adelson's ownership share was
28 affected, just as was any other pre-existing shareholder's, by the issuance of

1 new shares. Because Adelson received nothing that was unavailable to
2 other stockholders, plaintiffs have not pleaded any disqualifying self-
3 interest. *Pfeffer v. Redstone*, 965 A.2d 676, 690 (Del. 2009).¹⁵

4 **ii. None of the members of the Board face a**
5 **substantial likelihood of liability.**

6 Plaintiffs also asserted that the directors are not disinterested
7 because they allegedly participated in or approved of wrongdoing, and thus
8 would have to sue themselves. (*Breuer Compl.* ¶¶ 95-98.) These conclusory
9 allegations are "bootstrap arguments" that do not excuse demand and have
10 been repeatedly rejected by the courts. *See Shoen*, 122 Nev. at 639-40, 137
11 P.3d at 1183-84 ("Allegations of mere threats of liability through approval of
12 the wrongdoing or other participation, however, do not show sufficient
13 interestedness to excuse the demand requirement."); *see also Spiegel v.*
14 *Buntrock*, 571 A.2d 767, 774 n.14 (Del. 1990) ("[T]he fact that all directors are
15 named as defendants in a derivative complaint is not determinative of their
16 lack of independence."); *Brehm*, 746 A.2d at 257 n.34 ("It is no answer to say
17 that demand is necessarily futile because (a) the directors 'would have to sue
18 themselves, thereby placing the conduct of the litigation in hostile hands,' or
19 (b) that they approved the underlying transaction.").

20 Where, as here, there were no particularized allegations of any
21 director's personal financial interest in the underlying matters, demand only
22 could be excused based on the interestedness of the directors if the
23 complaint alleged with particularity that at least four members of the Board
24 face a "substantial likelihood" of personal liability. *See Shoen*, 122 Nev. at
25

26 ¹⁵ In *Pfeffer*, the court explained why a controlling shareholders' acquisition of additional
27 shares is insufficient to establish self-interest: "Pfeffer complains that Redstone, through
28 his company NAI, received an overwhelming majority of the Special Dividend. That
may be true, but it does not establish a disqualifying self interest since NAI held a
majority of Viacom's stock. What is significant is that Director Redstone and NAI
received nothing unique that was otherwise unavailable to the other stockholders." *Id.*

1 640, 137 P.3d at 1184. And under Nevada law, the Nevada Supreme Court
2 has held that "interestedness through potential liability is a difficult
3 threshold to meet." *Id.* Thus, for demand to be excused because of the
4 alleged participation of the directors in wrongdoing, plaintiffs must
5 demonstrate that this is the "rare case[] . . . where defendants' actions were
6 so egregious that a substantial likelihood of director liability exists." *Id.*
7 (quoting *Seminaris*, 662 A.2d at 1354).

8 Here, plaintiffs asserted that the directors face a substantial
9 likelihood of personal liability because they allegedly failed to prevent the
10 Company's cash crunch, exposed the Company to potential losses related to
11 its development projects, and allowed allegedly dilutive transactions to
12 occur. (*Breuer Compl.* ¶¶ 10, 11, 98; *Fosbre Compl.* ¶ 77.) These allegations
13 are plainly insufficient.

14 Such claims for failure to take action or to institute controls (*e.g.*,
15 "Caremark claims") are "possibly the most difficult theory in corporation law
16 upon which a plaintiff might hope to win a judgment." *In re Caremark Int'l*
17 *Inc. Deriv. Litig.*, 698 A.2d 959, 967 (Del. Ch. 1996). "Only a sustained or
18 systematic failure of the board to exercise oversight—such as an *utter failure*
19 to attempt to assure a reasonable information and reporting system exists—
20 will establish the lack of good faith that is a necessary condition to liability."
21 *Id.* at 971 (emphasis added). "The test is rooted in concepts of bad faith;
22 indeed, a showing of bad faith is a *necessary condition* to director oversight
23 liability." *In re Citigroup Inc. S'holder Deriv. Litig.*, 964 A.2d 106, 123 (Del. Ch.
24 2009).

25 Plaintiffs did not allege any such failure. The original
26 complaints contained no particularized allegations with respect to the
27 Company's internal control systems and supervisory mechanisms. Plaintiffs
28 never identified how or why any controls were inadequate, or why the

1 Board should have acted sooner. Courts faced with similar pleadings have
2 routinely dismissed them for failure to make demand. *See, e.g., Stone ex rel.*
3 *AmSouth Bancorp. v. Ritter*, 911 A.2d 362 (Del. 2006); *Rattner v. Bidzos*, No.
4 Civ.A 19700, 2003 WL 22284323, at *8 (Del. Ch. Oct. 7, 2003); *Guttman*, 823
5 A.2d at 500. Indeed, plaintiffs could not seriously allege that the Board
6 "utterly failed" to exercise oversight when the original complaints alleged
7 that the Board had numerous meetings (*Breuer Compl.* ¶¶ 32, 34, 35) and
8 that the Board itself instituted changes "to address governance concerns" (*id.*
9 ¶ 56).

10 *In re Citigroup Inc. S'holder Deriv. Litig.* is particularly instructive.
11 *See* 964 A.2d 106. As in the instant case in which plaintiffs claim that the
12 Board failed to prevent the Company's cash crunch and potential losses
13 from development projects (*Breuer Compl.* ¶¶ 10-12), the *Citigroup* plaintiffs
14 similarly attempted to hold the directors personally liable for *Caremark*
15 claims by alleging that the directors failed to properly monitor Citigroup's
16 business risk, and, in particular, failed to "fully recognize the risks posed by
17 subprime securities." 964 A.2d at 124. The court firmly rejected this claim,
18 stating:

19 Business decision-makers must operate in the real world, with
20 imperfect information, limited resources, and an uncertain
21 future. To impose liability on directors for making a "wrong"
22 business decision would cripple their ability to earn returns for
23 investors taking business risks. Indeed, this kind of judicial
second guessing is what the business judgment rule was
designed to prevent, and even if a complaint is framed under a
Caremark theory, this Court will not abandon such bedrock
principles of Delaware fiduciary duty law.

24 *Id.* at 126. The court found that plaintiffs failed to adequately allege how the
25 board's oversight was inadequate or how the board ignored such
26 inadequacies, and instead "seem[ed] to hope the Court will accept the
27 conclusion that since the Company suffered large losses, and since a
28 properly functioning management system would have avoided such losses,

1 the directors must have breached their fiduciary duties in allowing such
2 losses." *Id.* at 128. The court declined to do so, finding that the "mere fact
3 that a company takes on business risk and suffers losses—even catastrophic
4 losses—does not evidence misconduct." *Id.* at 130.

5 Not only did plaintiffs here fail to plead a *Caremark* claim, they
6 did not plead conduct that was actionable under Nevada law. Both Las
7 Vegas Sands' Articles of Incorporation and Nevada law contain a provision
8 that protects Las Vegas Sands' directors from claims based on any conduct
9 other than "intentional misconduct, fraud or a knowing violation of law."
10 See NRS 78.138(7); Certificate of Amended and Restated Articles of
11 Incorporation of Las Vegas Sands Corp. (Ex. A) at ¶ 6. Where directors are
12 protected by Nevada law and the Company's charter, plaintiffs' burden of
13 showing a substantial likelihood of liability is even higher. See, e.g., *Shoen*,
14 137 P.3d at 1184 (explaining that under Nevada law, "directors and officers
15 may only be found personally liable for breaching their fiduciary duty of
16 loyalty if that breach involves intentional misconduct, fraud, or a knowing
17 violation of the law"); see also *In re Citigroup Inc.*, 964 A.2d at 125 ("The
18 presumption of the business judgment rule, the protection of an exculpatory
19 [] provision, and the difficulty of proving a *Caremark* claim together function
20 to place an extremely high burden on a plaintiff to state a claim for personal
21 director liability for a failure to see the extent of a company's business
22 risk.").¹⁶

23
24
25 ¹⁶ When "directors are contractually or otherwise exculpated from liability for certain
26 conduct, 'then a serious threat of liability may only be found to exist if the plaintiff pleads
27 a non-exculpated claim against the directors based on particularized facts.'" *Wood v. Baum*,
28 953 A.2d 136, 141 (Del. 2008) (quoting *Guttman v. Huang*, 823 A.2d 492, 501 (Del. Ch.
2003)); see also *In re Lear Corp. S'holder Litig.*, No. Civ.A 2728-VCS, 2008 WL 4053221, at *7
(Del. Ch. Sept. 2, 2008) (where charter contains a provision limiting director liability,
plaintiff "cannot sustain [its] complaint even by pleading facts supporting an inference of
gross negligence; [it] must plead a non-exculpated claim").

1 Plaintiffs' original complaints contained *no* particularized
2 allegations of any intentional wrongdoing, much less conduct constituting
3 "intentional misconduct, fraud or a knowing violation of the law." Instead,
4 plaintiffs actually alleged how the Board responded to the unprecedented
5 crisis in the financial markets and gaming industry during 2008 by cutting
6 short-term expenses and arranging for debt and equity infusions (*see, e.g.,*
7 *Breuer Compl.* ¶¶ 52, 57, 61-63, 67, 71-73, 78), and took action to enhance Las
8 Vegas Sands' corporate governance by forming a committee to resolve
9 disagreements among management (*id.* ¶ 56). This was appropriate and
10 prudent action—it was far from intentional wrongdoing that would have to
11 have been pleaded with particularity.

12 * * *

13
14 Because plaintiffs pleaded no facts in their original complaints to
15 show that any director on the November 26, 2008 Board had a disqualifying
16 interest that would bar him from fairly considering a demand, the original
17 complaints were subject to dismissal under Rule 23.1, and not "validly in
18 litigation."¹⁷ Accordingly, the relevant board for purposes of the instant
19 analysis is the March 20, 2009 Board.

20 **b. Plaintiffs' Amended Complaint Fails To Satisfy**
21 **This Standard With Respect to the March 20, 2009**
22 **Board.**

23 Plaintiffs' pleading efforts in the Amended Complaint with
24 respect to the March 20, 2009 Board fare no better. At the time the Amended
25 Complaint was filed, there were seven directors on Las Vegas Sands' Board:
26 Adelson, Chafetz, Forman, Koo, Leven, and Siegel remained, and Schwartz

27 ¹⁷ See Section B.2 for a discussion of why plaintiffs' original complaints would have been
28 independently dismissed because plaintiffs failed to create a reasonable doubt regarding
the independence of a majority of the November 26, 2008 Board. See also Section II for a
discussion of why plaintiffs' original complaints would have also been independently
dismissed because plaintiffs failed to state a cause of action as required by Rule 12(b)(5).

1 had joined. Because the original complaints were not validly in litigation,
2 the Court must next consider whether demand is excused as to the March
3 20, 2009 Board. To excuse demand, plaintiffs must allege particularized
4 facts sufficient to create a reasonable doubt as to the disinterest of at least
5 four of the seven directors. *See Shoen*, 122 Nev. at 641 n.62, 137 P.3d at 1184
6 n.62. This plaintiffs fail to do.

7 Plaintiffs do not make a single allegation with respect to director
8 Schwartz's disinterestedness, and he is not alleged to have participated in
9 any wrongdoing. Thus, he is clearly disinterested for purposes of this
10 analysis. With respect to the remaining directors, plaintiffs make essentially
11 no additional allegations of interestedness in the Amended Complaint.¹⁸ As
12 in the original complaints, plaintiffs assert that Adelson is interested because
13 of his participation in the equity raise in the fall of 2008 (Am. Compl. ¶ 153)
14 and that all of the directors, other than Schwartz, are interested because they
15 face a substantial likelihood of liability (*id.* ¶¶ 86-88). For the same reasons
16 discussed above with respect to the interestedness of the November 26, 2008
17 Board, these arguments are without any merit.

18 **2. Plaintiffs Fail to Allege Particularized Facts Sufficient to**
19 **Create a Reasonable Doubt Regarding the Independence**
20 **of a Majority of Either the November 26, 2008 or March**
21 **20, 2009 Boards.**

22 **a. Plaintiffs' Original Complaints Failed To Satisfy**
23 **This Standard With Respect to the November 26,**
24 **2008 Board.**

25 A director's independence—the second prong under Nevada's
26 demand futility test—is determined by whether the "director's decision is

27 ¹⁸ The Amended Complaint does add a wholly conclusory allegation that the defendants
28 face a substantial likelihood of liability for "failing to assure that a reliable system of
financial and other requisite controls was in place and functioning effectively, thereby
resulting in a realized risk of civil and regulatory liabilities and millions of dollars in past
and yet to be fully realized losses for the Company." (Am. Compl. ¶ 87.) Nowhere in the
Amended Complaint do plaintiffs make any other allegations of "civil and regulatory
liabilities." This conclusory allegation plainly fails to meet the particularity standards of
Rule 23.1.

1 based on the corporate merits of the subject before the board rather than
2 extraneous considerations or influences." *Aronson*, 473 A.2d at 816. To raise
3 a reasonable doubt regarding a director's independence, plaintiffs must
4 show that the director is "beholden" to an "interested person"—*i.e.*, a person
5 who himself faces a substantial likelihood of liability—or so under the
6 influence of an interested person that the director's discretion "would be
7 sterilized." *Rales*, 634 A.2d at 936; *see also Shoen*, 122 Nev. at 639, 137 P.3d at
8 1183. To excuse demand on this basis, plaintiffs must have alleged
9 particularized facts sufficient to create a reasonable doubt with respect to the
10 independence of at least four of the eight directors. Plaintiffs failed to meet
11 this burden.

12 Plaintiffs' allegations in the original complaints that all directors
13 lack independence because they are "beholden" to Adelson are as an initial
14 matter irrelevant because plaintiffs have failed to demonstrate that Adelson
15 is personally interested in the matters at issue, as discussed in Section I.B.1
16 above. Accordingly, this Court need not further consider the independence
17 issue.

18 Beyond this, plaintiffs' other allegations regarding the purported
19 non-independence of the directors: (1) that all Board members lack
20 independence because they are dominated by and can be replaced by
21 Adelson (*Breuer Compl.* ¶ 89), and (2) that certain directors lack
22 independence because of personal or business relationships with Adelson
23 (*id.* ¶90), are without merit. None of these allegations was sufficient to
24 create a reasonable doubt as to the independence of a single director, let
25 alone four directors.

i. **Plaintiffs Failed to Plead Particularized Facts Showing That Adelson Is Interested.**

As an initial matter, the inquiry into whether directors are independent is *only* relevant where plaintiffs have demonstrated that the allegedly controlling person has a disqualifying interest in the matters at issue. See *In re Concord EFS, Inc. Deriv. Litig.*, 2004 U.S. Dist. LEXIS 25569, at *28-29 (W.D. Tenn. Mar. 30, 2004) (applying Delaware law) ("[E]ven if Palmer dominated certain board members so that they would not vote against Palmer's interests," demand would not be excused because "Plaintiffs have failed to allege sufficient facts with particularity to demonstrate that Palmer himself is interested in this matter."); *Brehm*, 746 A.2d at 258 ("Because we hold that the Complaint fails to create a reasonable doubt that Eisner was disinterested in the [transaction], we need not reach or comment on" whether the other directors were beholden to Eisner); see also *Indiana Elec. Workers Pension Trust Fund, IBEW v. Dunn*, No. C-06-01711 RMW, 2007 WL 1223220, at **5-8 (N.D. Cal. Mar. 1, 2007) (finding that directors were independent under Delaware law because there were no allegations of domination by an interested party). Here, the only claims of interest asserted against Adelson was a purported "substantial likelihood of liability" and that Adelson participated in the equity infusion transactions. Because, as demonstrated above, plaintiffs pleaded no facts that suggest that Adelson experienced any benefit or harm from the equity raise that was not shared by the other shareholders or that Adelson (or any other director) faces a substantial likelihood of liability, plaintiffs' remaining allegations of domination and control are irrelevant.

ii. **Plaintiffs Have Not Pled Particularized Facts Showing That Adelson Dominates the Board.**

Not only were plaintiffs' allegations as to domination thus irrelevant, plaintiffs' allegations that the directors were dominated by

1 Adelson were also plainly insufficient. Plaintiffs' allegations in the original
2 complaints that Adelson dominates and controls the entire Board (*Breuer*
3 Compl. ¶¶ 89, 91) were purely conclusory. It is well settled that "[t]he
4 shorthand shibboleth of 'dominated and controlled directors' is insufficient"
5 to show a lack of independence. *Aronson*, 473 A.2d at 816; *see also Official*
6 *Comm. of Unsecured Creditors of Integrated Health Servs., Inc. v. Elkins*, No.
7 Civ.A. 20228-NC, 2004 WL 1949290, at *10 (Del. Ch. Aug. 24, 2004)
8 ("[g]eneral allegations of domination over a Board are simply insufficient" to
9 show a lack of independence); *Ash v. McCall*, No. Civ.A 17132, 2000 WL
10 1370341, at *7 (Del. Ch. Sept. 15, 2000) ("[C]onclusory allegations of
11 domination and control are insufficient to excuse pre-suit demand.").

12 Plaintiffs simply claimed that Adelson "exercises significant
13 influence over [Las Vegas Sands'] policies and affairs, including the
14 composition of the Board and any action requiring the approval of
15 stockholders." (*Breuer* Compl. ¶ 43.) Plaintiffs also alleged that Adelson was
16 responsible for taking the Company public, has served on the Board since
17 1988, is an executive officer, and owns more than 50% of the Company's
18 shares. (*Id.* ¶¶ 18-19, 88.) But none of these allegations contained any *facts*
19 as to why the Board is controlled by Adelson.

20 Adelson's approximately 52% stock ownership did not establish
21 a lack of independence. *See Beam*, 845 A.2d at 1051-52 (holding that
22 plaintiffs failed to show that a director who held 94% *voting power*
23 dominated a majority of the board of directors and noting that "[t]o create a
24 reasonable doubt about an outside director's independence, a plaintiff must
25 plead facts that would support the inference that because of the nature of a
26 relationship or additional circumstances *other than the interested director's*
27 *stock ownership or voting power*, the non-interested director would be more
28 willing to risk his or her reputation than risk the relationship with the

1 interested director") (emphasis added); *see also Loveman v. Lauder*, 484 F.
2 Supp. 2d 259, 263, 269 (S.D.N.Y. 2007) (applying Delaware law and holding
3 that the family that owned 82% of the company's shares did not dominate a
4 company's board of directors); *Aronson*, 473 A.2d at 815 (holding that
5 allegations that a director owned 47% of the company's outstanding shares
6 and "personally selected" each other director "do not support any claim
7 under Delaware law that these directors lack independence").

8 And plaintiffs' claim that Adelson has "the ability to unilaterally
9 replace" Board members (*Breuer* Compl. ¶ 89) was false.¹⁹ Las Vegas Sands'
10 Articles of Incorporation expressly prevent Adelson, who allegedly owns
11 52% of Las Vegas Sands' common stock, from removing any member of the
12 Board of Directors. *See* Certificate of Amended and Restated Articles of
13 Incorporation (Ex. A) at ¶ 5.4 (stating that a director can only be removed by
14 a vote of 66 2/3% of the corporation's shares). From the time the original
15 complaint in this case was filed, and at all times since, Adelson's ownership
16 share has remained well under the threshold required for removing a
17 director from the Board. (*Breuer* Compl. ¶ 74.)

18 Not only did the original complaints not support their
19 conclusory allegations, but other allegations in those complaints squarely
20 contradicted them. Plaintiffs asserted that the Board formed a committee "to
21 resolve disagreements among management—in particular, a number of
22 outstanding differences between Adelson and certain senior management

23
24 ¹⁹ That Adelson may have the power to elect directors (*Breuer* Compl. ¶ 19) is irrelevant
25 for independence purposes. *See, e.g., Khanna*, 2006 WL 1388744, at *15 ("Directors must be
26 nominated and elected to the board in one fashion or another, and to hold otherwise
27 would unnecessarily subject the independence of many corporate directors to doubt.
28 Conclusory allegations of this type do not cast suspicion on the independence of
directors without additional facts demonstrating reason to view the nomination process
askance.") (internal quotations omitted); *Kaufman v. Belmont*, 479 A.2d 282, 287 (Del. Ch.
1984) ("It is not sufficient [to excuse demand] to simply charge that a director was
nominated by those who stood on the other side."); *Aronson*, 473 A.2d at 816 ("It is the
care, attention and sense of individual responsibility to the performance of one's duties,
not the method of election, that generally touches on independence.").

1 members regarding the management of Las Vegas Sands and its governance
2 process." (*Breuer* Compl. ¶ 92.) A decision such as this, which had the effect
3 of *reducing* Adelson's influence, was hardly the decision of a dominated
4 Board.

5 Similarly, plaintiffs' allegations in its original complaints
6 regarding certain directors' business and personal relationships have been
7 repeatedly rejected by courts as insufficient to excuse demand. Because
8 board members are entitled to a presumption of independence in their
9 business decisions, *see Shoen*, 122 Nev. at 632, 137 P.3d at 1178-79, a plaintiff
10 "must allege particularized facts manifesting a direction of corporate
11 conduct in such a way as to comport with the wishes or interests of the . . .
12 persons . . . doing the controlling." *Aronson*, 473 A.2d at 816 (internal
13 quotations omitted).

14 For instance, in *Beam*, the court stated that, to show a lack of
15 independence, a complaint must raise a reasonable doubt that a director is
16 "so 'beholden' to an interested director . . . that his or her 'discretion would
17 be sterilized.'" *Beam*, 845 A.2d at 1050. For demand to be excused,
18 "friendship must be accompanied by substantially more in the nature of
19 serious allegations that would lead to a reasonable doubt as to a director's
20 independence," *id.* at 1052. Thus, the court held that "[a]llegations that
21 [Martha] Stewart and the other directors moved in the same social circles,
22 attended the same weddings, developed business relationships before
23 joining the board, and described each other as 'friends,' even when coupled
24 with Stewart's 94% voting power, are insufficient, without more, to rebut the
25 presumption of independence." *Id.* at 1051.

26 The original complaints came nowhere close to making the type
27 of allegations that courts have suggested may support a finding of a lack of
28 independence. *Beam*, 845 A.2d at 1051. There are clearly at least six

1 independent directors on the November 26, 2008 Board. Plaintiffs made
2 only cursory allegations with respect to Messrs. Siegel, Koo, Leven, and
3 Purcell, essentially conceding their independence. Plaintiffs' only
4 allegations with respect to Forman consisted of conclusory allegations of a
5 longstanding personal relationship and former business affiliations with
6 Adelson. (*Fosbre* Compl. ¶ 61(b).) These allegations are nothing more than
7 the routine interactions held to be "insufficient to raise a reasonable doubt
8 about a director's independence." *Beam*, 845 A.2d at 1050; *see also In re J.P.*
9 *Morgan Chase & Co. S'holder Litig.*, 906 A.2d 808, 821-24 (Del. Ch. 2005)
10 (holding that several directors with business, charitable, or family
11 relationships to J.P. Morgan Chase or its CEO were independent). Plaintiffs
12 allegations with respect to Weidner rested on the incorrect presumption that
13 an inside director could not be considered independent. *See Indiana Elec.*
14 *Workers Pension Trust Fund*, 2007 WL 1223220, at *6 (applying Delaware law
15 and finding company officers to be independent); *Fagin v. Gilmartin*, 432
16 F.3d 276, 283 (3d Cir. 2005) (same); *In re Sagent Tech., Inc., Deriv. Litig.*, 278 F.
17 Supp. 2d 1079, 1089 (N.D. Cal. 2003) (same). Plaintiffs did not offer a single
18 fact to demonstrate how or why any of these relationships would induce the
19 directors to shirk their responsibilities to Las Vegas Sands and its
20 shareholders. *See Shoen*, 122 Nev. at 639-640 n.56, 137 P.3d at 1184 n.56 ("the
21 particularized pleadings must demonstrate why the relationship creates a
22 reasonable doubt").

23 Even if the Court considers the independence of the November
24 26, 2008 Board in light of the more voluminous allegations of the Amended
25 Complaint, those allegations remain insufficient, regardless of the new
26 verbiage added with respect to Purcell, Weidner, and Leven.²⁰

27
28 ²⁰ *In re Affiliated Comp. Servs., Inc.* directs that whether demand was excused as to the
November 26, 2008 Board is to be evaluated on the basis of the allegations contained in
the original complaints. 2009 WL 296078, at *9 (evaluating whether the first complaint

1 The new allegations that Purcell purportedly lacks independence
2 because his former law firm provides legal services to the Company (Am.
3 Compl. ¶¶ 111-15) are insufficient. *See Loveman*, 484 F. Supp. at 268
4 (applying Delaware law and finding that a director who was a current
5 partner at Wilmer Hale, a law firm that provided legal services to the
6 company, was independent); *Indiana Elec. Workers Pension Trust Fund*, 2007
7 WL 1223220, at *7 (applying Delaware law and finding allegations that
8 directors had relationships with companies that did business with the
9 company to be insufficient to establish a lack of independence); *In re J.P.*
10 *Morgan Chase & Co. S'holder Litig.*, 906 A.2d 808, 821-22 (Del. Ch. 2005)
11 (rejecting contention that directors were not independent because they had
12 substantial person wealth invested in their related companies, each of which
13 allegedly conducted business with J.P. Morgan.).²¹ That a national firm like
14 Paul Weiss provided legal services to Las Vegas Sands is not sufficient to
15 question Mr. Purcell's independence: plaintiffs have not alleged any facts
16 showing that Mr. Purcell would receive any direct personal financial benefit
17 from the Paul Weiss-Las Vegas Sands business, much less that any benefit
18 he would have stood to receive was material, or that his retirement benefits
19 are in any way affected by this alleged business. *See Loveman*, 484 F. Supp.
20 2d at 268.

21 The Amended Complaint also adds allegations concerning
22 Purcell's and Weidner's departures from the Board. Because these events
23 took place long after the filing of the original complaints, they are irrelevant
24 to assessing whether demand was excused at the time of the filing of those
25

26 was validly in litigation based solely on the allegations of the first complaint).

27 ²¹ Indeed, the relationships alleged in *Indiana Elec. Workers Pension Trust* went far beyond
28 what plaintiffs allege in the instant case, as plaintiffs in that matter alleged that the
company's "continued assistance" to Verizon, at which the director was currently the Vice
Chairman and President, "enable[d the director] to continue to earn his lavish
compensation." *Id.*

1 complaints. Moreover, far from demonstrating a lack of independence,
2 these events plainly demonstrate independence, as Purcell and Weidner did
3 not hesitate to demonstrate their independence even if it meant disagreeing
4 with Adelson. (*Id.* ¶ 30.) These allegations are inconsistent with the actions
5 of controlled directors. Similarly, the allegation that Weidner was asked to
6 leave the Company does not give rise to an inference that he lacks
7 independence. Notably, in *In re Affiliated Comp. Servs.*, the court held that
8 demand was not excused where the controlling shareholder asked *all* of the
9 outside directors to resign. 2009 WL 296078, at **9-10 (rejecting plaintiffs'
10 argument that outside directors who were asked to leave by a controlling
11 shareholder would not be willing to bring suit against the inside directors).

12 Finally, the Amended Complaint adds a smattering of
13 allegations regarding overlapping charitable interests between Leven and
14 Adelson (Am. Compl. ¶ 108), and alleges that Leven agreed to become COO
15 of the Company (*id.* ¶ 79). Numerous cases have held that such charitable
16 relationships are insufficient to support an inference that a director lacked
17 independence. *See, e.g., In re J.P. Morgan Chase & Co.*, 906 A.2d at 822-23; *see*
18 *also Beam*, 845 A.2d at 1050. Moreover, Leven's appointment as COO of the
19 Company has no bearing on his independence at the time the original
20 complaints were filed. And indeed, in the Amended Complaint, plaintiffs
21 plead that Leven was the "*de facto* leader" of the independent members of the
22 Board during that relevant time period. (*Id.* ¶ 108.)

23 **3. Plaintiffs' Remaining Miscellaneous Allegations Did Not**
24 **Excuse Demand.**

25 First, insofar as plaintiffs make reference to the New York Stock
26 Exchange ("NYSE") rules, plaintiffs are wrong in suggesting that the NYSE
27 rules bear upon the demand futility analysis. Plaintiffs asserted that
28 directors Adelson, Weidner, Chafetz, and Forman lacked independence

1 because they are not considered independent under the NYSE rules. (*Breuer*
2 Compl. ¶¶ 88, 90.) But plaintiffs improperly conflate two definitions of
3 "independent" in making this assertion. The definition of independence in
4 the demand futility context requires that a "director's decision [be] based on
5 the corporate merits of the subject before the board rather than extraneous
6 considerations or influences." *Aronson*, 473 A.2d at 816. By contrast, the
7 NYSE's definition of independence turns on financial or employment
8 relationships a director may have with the company, not on the director's
9 ability to make a decision regarding instituting litigation on behalf of the
10 company free from improper influence. See NYSE Listed Company Manual
11 at § 303A.02. Thus, the NYSE rules require companies to exclude company
12 officers, such as Adelson and Weidner, from the independence listing in
13 proxy statements. However, the fact that a director is also a company officer
14 does not prevent him from being considered independent for purposes of
15 demand futility analysis. See *Indiana Elec. Workers Pension Trust Fund*, 2007
16 WL 1223220, at *6 (applying Delaware law and finding company officers to
17 be independent); *Fagin*, 432 F.3d at 283 (3d Cir. 2005) (same); *In re Sagent*
18 *Tech., Inc., Deriv. Litig.*, 278 F. Supp. 2d at 1089 (same).

19 Second, plaintiffs made a spurious allegation that the Board's
20 establishment of a committee to resolve disagreements among management
21 somehow suggests that the majority of directors lack independence. (*Breuer*
22 Compl. ¶¶ 93.) Boards of directors may appoint committees for numerous
23 reasons, and no cases support plaintiffs' argument that the appointment of a
24 committee is an admission of demand futility. Here, plaintiffs themselves
25 pled that the Board appointed the committee to "exercise the powers of the
26 board of directors in between scheduled meetings, including the power to
27 resolve disagreements among management" (*Id.* ¶ 72)—in other words, to

1 enhance Las Vegas Sands' corporate governance. This does not show any
2 lack of independence.

3 Third, plaintiffs alleged that directors Purcell, Siegel, and
4 Leven's service on the Audit Committee suggest that they are interested and
5 thus unable to consider a demand. (*Fosbre* Compl. ¶¶ 63-64.) Such
6 allegations have been definitively rejected by the Delaware courts. *See, e.g.,*
7 *Wood*, 953 A.2d at 142 (noting that the proposition that a director is
8 interested due to his or her committee membership is "contrary to well-
9 settled Delaware law"); *Rattner*, 2003 WL 22294323, at *13 (mere committee
10 membership does not show interest).

11 Finally, plaintiffs alleged that demand was excused because
12 there *might* be an "insured versus the insured" exclusion in Las Vegas Sands'
13 directors and officers liability insurance policy, which *might* exempt from
14 coverage those directors who sued themselves or certain officers of the
15 Company, and *if so*, "the insurance carriers would argue that LVS and its
16 Board of Directors are thereby contractually disabled from complying with
17 any demand . . . because to do so could result in the loss to LVS of its
18 insurance coverage." (*Breuer* Compl. ¶ 99.) This highly speculative
19 allegation has been routinely rejected as an excuse not to make demand. *See,*
20 *e.g., In re Ferro Corp. Deriv. Litig.*, 511 F.3d 611, 622-23 (6th Cir. 2008) (holding
21 that allegations of an insured-versus-insured exclusion do not excuse
22 demand and noting that many other courts had held likewise); *Carauna v.*
23 *Saligman*, Civ.A No. 11135, 1990 WL 212304, at *4 (Del. Ch. Dec. 21, 1990)
24 (stating that allegations relating to an insured-versus-insured exclusion
25 "provide no particularized facts creating a reasonable doubt that the
26 directors are disinterested or independent"); *Decker v. Clausen*, Civ. A Nos.
27 10684, 10685, 1989 WL 133617, at *2 (Del. Ch. Nov. 6, 1989) (rejecting
28

1 allegations related to an insured-versus-insured exclusion as "variations on
2 the 'directors suing themselves' and 'participating in the wrongs' refrain").

3 * * *

4 For all of these reasons as well, the original complaints did not
5 comply with Rule 23.1 or the applicable Nevada law articulated in *Shoen*,
6 were subject to dismissal, and were not validly in litigation. Accordingly,
7 this Court should proceed to analyze the allegations of the Amended
8 Complaint with respect to the March 20, 2009 Board.

9 **b. Plaintiffs' Amended Complaint Fails To Satisfy**
10 **This Standard With Respect to the March 20, 2009**
11 **Board.**

12 Plaintiffs' pleading efforts in the Amended Complaint with
13 respect to the independence of the March 20, 2009 Board are just as weak as
14 those in the original complaints. Though plaintiffs have attempted to
15 achieve through volume what they cannot achieve through substance, they
16 fall far short of the particularized allegations necessary to show a lack of
17 independence. Moreover, as demonstrated above, these allegations are
18 irrelevant as a threshold matter because plaintiffs failed to plead any facts
19 establishing interest by any director.

20 Because the Amended Complaint does not contain any
21 allegations with respect to director Schwartz, plaintiffs have conceded his
22 independence. Moreover, as in the original complaints, plaintiffs do not
23 seriously contest the independence of directors Koo or Siegel.²² Accordingly,
24 there is no real issue with respect to those three directors.

25 ²² Plaintiffs add allegations that Koo and Siegel's professional experience would have
26 been useful to the Company as it expanded in China (Am. Compl. ¶ 110), but it is utterly
27 unclear how such allegations could give rise to an inference that Koo and Siegel lack
28 independence. To the contrary, such allegations support the inference that Koo and
Siegel are qualified and competent Board members. Plaintiffs also allege that Siegel was
kept informed of changes in the Company's management. (*Id.*) The mere fact that Siegel
was informed of developments at the Company does not suggest that he lacked
independence.

1 Of the four remaining directors, plaintiffs focus most of their
2 efforts in the Amended Complaint on director Chafetz. But because
3 plaintiffs must create a reasonable doubt with respect to the independence
4 of *at least four* directors, it is not necessary to even address director Chafetz's
5 independence. Even if Chafetz was found to be not independent, plaintiffs
6 failed to plead facts that show a lack of independence on the part of either
7 directors Forman or Leven, making an inquiry into Chafetz's independence
8 irrelevant because plaintiffs are incapable of reaching the required number
9 of four if either Forman or Leven is independent. With respect to director
10 Forman, plaintiffs add no new substantive allegations. They merely add a
11 few additional details about past business and personal relationships
12 between Adelson and Forman. (Am. Compl. ¶ 107.) As discussed above,
13 such allegations are insufficient to support a finding that Forman lacked
14 independence.

15 Nor does the Amended Complaint establish a lack of
16 independence with respect to Leven. Indeed, plaintiffs now affirmatively
17 plead that Leven was the "*de facto* leader" of the independent members of the
18 Board. (*Id.* ¶ 108.) Their only challenge to his independence is that, shortly
19 before the Amended Complaint was filed in this case, he agreed to serve as
20 an officer of the Company and that he has overlapping charitable interests
21 with Adelson. (*Id.* ¶¶ 108-09.) As discussed above, mere personal and
22 charitable connections do not show a lack of independence. Moreover, as
23 also discussed above, the fact that Leven came to be employed by the
24 Company does not support an inference that he lacks independence. *See*
25 *Fagin*, 432 F.3d at 283 (applying Delaware law) (finding company officers to
26 be independent); *In re Sagent Tech., Inc.*, 278 F. Supp. 2d at 1089 (same).
27 Indeed, far from pleading that Leven was interested in employment at Las
28 Vegas Sands, plaintiffs allege that Leven, as chairman of the search

1 committee, only accepted the job after no other suitable candidates could be
2 identified. (Am. Compl. ¶ 118.) Indeed, in the very article that plaintiffs
3 quote, Leven stated that he "had no intent to [take the job]; it was never on
4 my radar screen." *Sands' Leven: Putting 'Humpty Dumpty together again,'*
5 March 12, 2009 (referenced in Am. Compl. ¶ 118) (Ex. O).

6 * * *

7 For all of the foregoing reasons, the Amended Complaint does
8 not comply with Nevada Rule 23.1 and must be dismissed.

9 **II. THE AMENDED COMPLAINT SHOULD BE DISMISSED**
10 **PURSUANT TO RULE 12(b)(5) BECAUSE PLAINTIFFS HAVE**
11 **FAILED TO STATE A CLAIM.**

12 This action should also be dismissed because the Amended
13 Complaint fails to state a claim under Nevada Rule of Civil Procedure
14 12(b)(5). To state a claim, the complaint "must set forth sufficient facts to
15 establish all necessary elements of a claim for relief." *Hay v. Hay*, 100 Nev.
16 196, 198, 678 P.2d 672, 674 (Nev. 1984) (citing *Johnson v. Travelers Ins. Co.*, 89
17 Nev. 467, 472, 515 P.2d 68, 71 (Nev. 1973)); see also *Danning v. Lum's, Inc.*, 86
18 Nev. 868, 870, 478 P.2d 166, 167 (1970) ("the complaint must allege facts
19 sufficient to establish all the necessary elements of the cause of action upon
20 which recovery is predicated"). Bare recitations of the elements of a claim
21 without any factual allegations are not enough. *Conway v. Circus Circus*
22 *Casinos, Inc.*, 116 Nev. 870, 875, 8 P.3d 837, 840 (Nev. 2000). "[I]f a pleader
23 cannot allege definitely and in good faith the existence of an essential
24 element of his claim, it is difficult to see why this basic deficiency should not
25 be exposed at the point of minimum expenditure of time and money by the
26 parties and the court." *Danning*, 86 Nev. at 870, 478 P.2d at 167. In such
27 cases, the complaint is properly dismissed for failure to state a claim upon
28 which relief can be granted.

1 As discussed above, under Nevada law, directors are *presumed* to
2 act in good faith in accordance with their business judgment. *Shoen*, 122
3 Nev. at 632, 137 P.3d at 1178-79; *see also In re Comp. Sciences Corp. I*, 2007 WL
4 1321715, at *9; *Beam*, 845 A.2d at 1048-49. Moreover, the Nevada legislature
5 has determined that directors and officers are to be protected from liability
6 unless a plaintiff makes specific allegations of "intentional misconduct,
7 wrongdoing, or a knowing violation of law." NRS 78.138(7); *see also Shoen*,
8 122 Nev. at 640, 137 P.3d at 1184 (explaining that under Nevada law,
9 directors and officers may only be found personally liable if that "breach
10 involves intentional misconduct, fraud, or a knowing violation of the law").
11 Las Vegas Sands' Articles of Incorporation expressly eliminates liability
12 other than for "intentional misconduct, fraud or a knowing violation of law."
13 *See Ex. A at ¶ 6.*

14 As the Nevada Supreme Court did in *Shoen* when it applied NRS
15 78.138(7), Delaware courts have similarly made clear that these limitations
16 on liability are to be applied at the motion to dismiss stage. *See, e.g., Wood*,
17 953 A.2d at 141 (dismissing complaint for failure to state intentional
18 wrongdoing); *In re Citigroup Inc. S'holder Litig.*, 964 A.2d at 135 (dismissing
19 claims for failure to plead intentional wrongdoing or bad faith); *In re Lear*
20 *Corp. S'holder Litig.*, 2008 WL 4053221, at *10 (dismissing complaint for
21 failure to state intentional wrongdoing).²³ Because Las Vegas Sands' charter
22 contains a liability limiting provision, plaintiff "cannot sustain [its]
23 complaint even by pleading facts supporting an inference of gross
24 negligence; [it] must plead a non-exculpated claim." *Lear*, 2008 WL 4053221,
25 at *7; *see also Wood*, 953 A.2d at 141. "Such a claim cannot rest on facts that
26 simply support the notion that the directors made an unreasonable or even

27
28 ²³ Indeed, NRS 78.138(7) limiting director liability is even more protective of directors
than Delaware law. *See* Edward Brodsky and M. Patricia Adamski, *Law of Corporate*
Officers and Directors: Rights, Duties and Liabilities § 2.7 (Thomson Reuters/West 2008).

1 grossly unreasonable judgment. Rather, it must rest on facts that support a
2 fair inference that the directors consciously acted in a manner contrary to the
3 interests of [the company] and its stockholders." *Lear*, 2008 WL 4053221, at
4 *10.

5 In this case, plaintiffs' Amended Complaint contains *no*
6 particularized allegations of any intentional wrongdoing, much less conduct
7 constituting "intentional misconduct, fraud or a knowing violation of the
8 law."²⁴ Plaintiffs' only claim specific to Adelson is that he made a new
9 investment in the Company. (*See, e.g.*, Am. Compl. ¶ 59.) But that is far
10 from bad faith. *See Pfeffer*, 965 A.2d at 690 (finding that allegation that
11 director, who was also a controlling shareholder, increased his majority
12 control as a result of an exchange offer "without more, does not state a
13 legally sufficient claim that [the controlling shareholder and his company]
14 acted in bad faith").

15 Nor are there any facts alleged from which the Court could infer
16 intentional wrongdoing by any other director. In fact, the allegations are to
17 the contrary: the directors acted responsibly in responding to
18 unprecedented global recessionary conditions in the gaming industry by
19 cutting expenses and arranging for additional cash and equity infusions.
20 Instead of alleging facts, plaintiffs simply proclaim that the defendants face
21 "a substantial likelihood of non-exculpated liability." (Am. Compl. ¶ 132.)
22 But a conclusory allegation in the absence of facts to support it is patently
23 insufficient. *See, e.g., Conway*, 116 Nev. at 875, 8 P.3d at 840 ("In this case, the
24 Employees failed to factually allege that Circus Circus acted with deliberate
25

26 ²⁴ Plaintiffs twice repeat the allegation that former director Weidner characterized the
27 timing of the Company's raising debt and equity as "a monumental screw-up." (Am.
28 Compl. ¶¶ 4, 63.) But this does not allege intentional misconduct, knowing violation of
the law, or fraud. Indeed, as Weidner himself is alleged to have said, it was the result of
"robust debate within the organization"—the very purpose of a board of directors. (*Id.* ¶
63.)

1 and specific intent to injure them. A bare allegation is not enough. An
2 employee must provide facts in his or her complaint which show the
3 deliberate intent to bring about the injury."). And the fact that the Company
4 may have experienced losses over the last year does not establish any
5 misconduct, let alone intentional misconduct. *See, e.g., In re Citigroup Inc.*
6 *S'holder Deriv. Litig.*, 964 A.2d at 130 ("It is well established that the mere fact
7 that a company takes on business risk and suffers losses—even catastrophic
8 losses—does not evidence misconduct, and without more, is not a basis for
9 personal director liability.").

10 Because plaintiffs have pleaded no claim for intentional
11 misconduct, knowing violation of the law, or fraud, the Amended
12 Complaint must be dismissed.²⁵

13
14
15 ²⁵ In Count II, Plaintiffs seek to assert a claim of "gross mismanagement." There are no
16 reported cases, however, that recognize such a claim as an independent cause of action
17 under Nevada law separate from Count I. *See, e.g., Srebnik v. Dean*, C.A. No. 05-cv-01086-
18 WYD-MJL, 2006 WL 2790408, at *6 (D. Colo. Sept. 26, 2006) (the court, applying Colorado
19 and Nevada law, held that "abuse of control" and "gross mismanagement" were not
20 independent causes of action but were subsumed in the claim for breach of fiduciary
21 duty); *see also Clark v. Lacy*, 376 F.3d 682, 686-87 (7th Cir. 2004) (the court, applying New
22 York law, noted that "[e]ach 'additional' claim (abuse of control, gross mismanagement,
23 and waste of corporate assets) is premised on the defendants' alleged breach of their
24 fiduciary duties" and characterized them as "repackaging the same issue under different
25 causes of action"). Rather, this count is merely a reformulation of the duty of care claim
26 asserted in Count I, which, as discussed above, is barred under Las Vegas Sands' Articles
27 of Incorporation and NRS 78.138(7). Moreover, inasmuch as Count II is duplicative of
28 Count I, it should be dismissed for that reason as well. *See, e.g., Fixel v. Nevada Legislative*
Comm'n, 940 F.2d 1534, 1991 WL 146934, at *1 n.1 (9th Cir. 1991) (table); *Rocchigiani v.*
World Boxing Council, Inc., 131 F. Supp. 2d 527, 531 (S.D.N.Y. 2001); *Greinader v. Diebold*
Inc., 747 F. Supp. 417, 419 (S.D. Ohio 1990). In Count III, Plaintiffs seek to assert a claim
for "waste of corporate assets," but this also is essentially a reformulation of Count I. This
duplicative claim is baseless and should be dismissed for the same reasons as Count II.
To the extent that Plaintiffs' claim of waste is detached from its duty of care claims, the
only remedy provided under Nevada law for alleged waste of corporate assets is an
application by the stockholders for an injunction and the appointment of a receiver,
which requires the application of the holders of 10% of the company's stock. *See* NRS
78.650(1). Plaintiffs have not made such application, and therefore Count III also fails for
this reason. As discussed in Section I.B.1.a.1, plaintiffs' allegations as to dilution do not
satisfy the elements of that claim, and Count IV should be dismissed for this reason as
well. Additionally, no reported Nevada cases support a cause of action for aiding and
abetting a breach of fiduciary duty; accordingly, Count V should also be dismissed for
this reason.

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MORRIS PETERSON

By

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CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that I am an employee of MORRIS PETERSON, and I am familiar with the firm's practice of collection and processing documents for mailing; that in accordance therewith, I caused the following to be deposited with the U.S. Postal Service at Las Vegas, Nevada, in a sealed envelope, with first class postage prepaid, on the date and to the addressee(s) shown below: **DEFENDANTS' MOTION TO DISMISS THE CONSOLIDATED AMENDED COMPLAINT PURSUANT TO NEVADA RULES OF CIVIL PROCEDURE 12(b)(5) AND 23.1**

TO:

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Dated this 17th day of April, 2009.

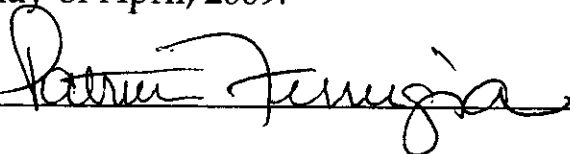
By: 

Exhibit A

CERTIFICATE OF AMENDED AND RESTATED

CD # C21244-04

ARTICLES OF INCORPORATION

DEC 16 2004

of

LAS VEGAS SANDS CORP.

CLERK OF
SECRETARY OF STATE

The undersigned officer of Las Vegas Sands Corp., a corporation duly incorporated under the laws of the State of Nevada, hereby certifies as follows:

FIRST: The name of the corporation is Las Vegas Sands Corp. (the "Corporation"). The original Articles of Incorporation of the Corporation were filed with the Secretary of State of the State of Nevada on the 9th day of August 2004.

SECOND: These Amended and Restated Articles of Incorporation have been duly adopted in accordance with Section 78.390 of the Nevada Revised Statutes (the "Revised Statutes") and by the written consent of the Corporation's sole stockholder in accordance with Sections 78.320 and 78.390 of the Revised Statutes.

THIRD: These Amended and Restated Articles of Incorporation amend and restate in their entirety the Articles of Incorporation of the Corporation to read as follows:

1. Name. The name of the Corporation is "Las Vegas Sands Corp."
2. Address: Registered Office and Agent. The address of the Corporation's principal place of business in the State of Nevada is 3355 Las Vegas Boulevard South, Las Vegas, Nevada, 89109 and its Registered Agent, upon whom process may be served on the Corporation, is Frederick Kraus at 3355 Las Vegas Boulevard South, Las Vegas, Nevada, 89109.

3. Purposes. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Revised Statutes.

4. Number of Shares. The total number of shares of stock that the Corporation shall have authority to issue is: 1,050,000,000, divided as follows: 50,000,000 shares of Preferred Stock, of the par value of \$0.001 per share (the "Preferred Stock"), and 1,000,000,000 shares of Common Stock, of the par value of \$0.001 per share (the "Common Stock").

4.1 The designation, relative rights, preferences and limitations of the shares of each class are as follows:

4.1.1 The shares of Preferred Stock may be issued from time to time in one or more series of any number of shares, provided that the aggregate number of shares issued and not retired of any and all such series shall not exceed the total number of shares of Preferred Stock hereinabove authorized, and with such powers, including voting powers, if any, and the designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, all as shall hereafter be stated and expressed in the resolution or resolutions providing for the designation and issue of such shares of Preferred Stock from time to time adopted by the Board of Directors of the Corporation (the "Board") pursuant to authority so to do which is hereby expressly vested in the Board. The powers, including voting powers, if any, preferences and relative, participating, optional and other special rights of each series of

Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Each series of shares of Preferred Stock: (a) may have such voting rights or powers, full or limited, if any; (b) may be subject to redemption at such time or times and at such prices, if any; (c) may be entitled to receive dividends (which may be cumulative or non-cumulative) at such rate or rates, on such conditions and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or series of stock, if any; (d) may have such rights upon the voluntary or involuntary liquidation, winding up or dissolution of, upon any distribution of the assets of, or in the event of any merger, sale or consolidation of, the Corporation, if any; (e) may be made convertible into or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation (or any other securities of the Corporation or any other person) at such price or prices or at such rates of exchange and with such adjustments, if any; (f) may be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of shares of such series in such amount or amounts, if any; (g) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional shares (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding shares of the Corporation, if any; (h) may be subject to restrictions on transfer or registration of transfer, or on the amount of shares that may be owned by any person or group of persons; and (i) may have such other relative, participating, optional or other

special rights, qualifications, limitations or restrictions thereof, if any; all as shall be stated in said resolution or resolutions of the Board providing for the designation and issue of such shares of Preferred Stock.

4.1.2 Except as otherwise provided by law or by these Articles of Incorporation and subject to the express terms of any series of shares of Preferred Stock, the holders of outstanding shares of Common Stock shall exclusively possess voting power for the election of Directors and for all other purposes, each holder of record of shares of Common Stock being entitled to one vote for each share of Common Stock standing in his or her name on the books of the Corporation. Except as otherwise provided by law or by these Articles of Incorporation and subject to the express terms of any series of shares of Preferred Stock, the holders of shares of Common Stock shall be entitled, to the exclusion of the holders of shares of Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to share ratably according to the number of shares of Common Stock held by them in all remaining assets of the Corporation available for distribution to its stockholders.

4.1.3 Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof then

outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote.

4.2 Restrictions on Shares. The Corporation shall not issue any stock or securities except in accordance with the provisions of all applicable gaming laws of or any licenses, approvals, permits, concessions or subconcessions issued by or approved by, any governmental authority or agency having jurisdiction over the gaming activities of the Corporation or any of its subsidiaries (any such governmental authority or agency, a "Gaming Authority"), including without limitation, the Nevada Gaming Control Act (Chapter 463 of the Revised Statutes) and the regulations thereunder (collectively, "Nevada Gaming Laws"). All such gaming laws, licenses, approvals, permits, concessions or subconcessions issued or approved by a Gaming Authority are referred to herein as the "Applicable Gaming Laws." The issuance of any stock or securities in violation of the Nevada Gaming Laws shall be void and such stock or securities shall be deemed not to be issued and outstanding until (1) the Corporation shall cease to be subject to the jurisdiction of the Nevada Gaming Commission (the "Commission"), or (2) the Commission shall, by affirmative action, validate said issuance or waive any defect in issuance. The issuance of any stock or securities in violation of any other Applicable Gaming Laws shall be void and such stock or securities shall be deemed not to be issued and outstanding until (1) the Corporation shall cease to be subject to the jurisdiction of the Applicable Gaming Authority, or (2) the Applicable Gaming Authority shall validate said issuance or waive any defect in issuance.

No stock or securities issued by the Corporation and no interest, claim or charge therein or thereto shall be transferred in any manner whatsoever (a "Transfer") except in accordance with the provisions of Applicable Gaming Laws, including without limitation, the Nevada Gaming Laws. Any Transfer in violation of the Nevada Gaming Laws shall be ineffective until (1) the Corporation shall cease to be subject to the jurisdiction of the Commission, or (2) the Commission shall, by affirmative action, validate said Transfer or waive any defect in said Transfer. Any Transfer in violation of any other Applicable Gaming Laws shall be ineffective until (1) the Corporation shall cease to be subject to the jurisdiction of the Applicable Gaming Authority, or (2) the Applicable Gaming Authority shall validate said Transfer or waive any defect in said Transfer.

If a Gaming Authority at any time determines that a holder of stock or other securities of this corporation is unsuitable to hold such securities, then until such securities are owned by persons found by such Gaming Authority to be suitable to own them, (a) the Corporation shall not be required or permitted to pay any dividend or interest with regard to the securities, (b) the holder of such securities shall not be entitled to vote on any matter as the holder of the securities, and such securities shall not for any purposes be included in the securities of the Corporation entitled to vote, and (c) the Corporation shall not pay any remuneration in any form to the holder of these securities. Ownership of stock or securities of this Corporation shall, in addition to the foregoing, be subject to the provisions of Applicable Gaming Laws.

5. Board of Directors.

5.1 Number of Directors. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Unless and except to the extent that the By-laws of the Corporation, as amended (the "By-laws"), shall so require, the election of the Directors of the Corporation need not be by written ballot. Except as otherwise provided for or fixed pursuant to the provisions of Article 4 of these Articles of Incorporation relating to the rights of the holders of any series of Preferred Stock to elect additional Directors, the total number of Directors constituting the entire Board shall be not less than 3 nor more than 15, with the then-authorized number of Directors being fixed from time to time by the Board.

During any period when the holders of any series of Preferred Stock have the right to elect additional Directors as provided for or fixed pursuant to the provisions of Article 4 hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors of the Corporation shall automatically be increased by such specified number of Directors, and the holders of such Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having

such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total and authorized number of Directors of the Corporation shall be reduced accordingly.

5.2 Staggered Board. The Board (other than those Directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of Article 4 hereof (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I Directors shall initially serve until the 2005 annual meeting of stockholders; Class II Directors shall initially serve until the 2006 annual meeting of stockholders; and Class III Directors shall initially serve until the 2007 annual meeting of stockholders. Commencing with the annual meeting of stockholders in 2005, Directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of Directors (other than Preferred Stock Directors), the number of Directors in each class shall be apportioned as nearly equally as possible.

5.3 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of Directors or

any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board. Any Director so chosen shall hold office until the next election of the class for which such Director shall have been chosen and until his or her successor shall be elected and qualified. No decrease in the number of Directors shall shorten the term of any incumbent Director.

5.4 Removal of Directors. Except for such additional Directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Article 4 hereof, any Director, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66-2/3% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

6. Limitation of Liability. To the fullest extent permitted under the Revised Statutes, as amended from time to time, no Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any act or omission as a Director, provided that this provision shall not eliminate or limit the liability of a Director for any breach of the Director's fiduciary duty to the Corporation or its stockholders, which breach involves intentional misconduct, fraud or a knowing violation of law. If the Revised Statutes is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability

of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Revised Statutes, as so amended.

Any amendment, repeal or modification of the foregoing provision shall not adversely affect any right or protection of a Director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

7. Indemnification.

7.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a Director or officer of the Corporation or, while a Director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity (an "Other Entity"), including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 7.3, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such

Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board.

7.2 Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article 7 or otherwise.

7.3 Claims. If a claim for indemnification or advancement of expenses under this Article 7 is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

7.4 Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article 7 shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of these

Articles of Incorporation, the By-laws, agreement, vote of stockholders or disinterested Directors or otherwise.

7.5 Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a Director, officer, employee or agent of an Other Entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such Other Entity.

7.6 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article 7 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

7.7 Other Indemnification and Prepayment of Expenses. This Article 7 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

8. Adoption, Amendment and/or Repeal of By-Laws. In furtherance and not in limitation of the powers conferred by the laws of the State of Nevada, the Board is expressly authorized to make, alter and repeal the By-laws, subject to the power of the Stockholders of the Corporation to alter or repeal any By-laws whether adopted by them or otherwise. Notwithstanding any other provisions of these Articles of Incorporation or the By-laws (and notwithstanding the fact that a lesser percentage may

be permitted by applicable law, these Articles of Incorporation or the By-laws), but in addition to any affirmative vote of the holders of any particular class of stock of the Corporation required by applicable law or these Articles of Incorporation, the affirmative vote of the holders of at least 66-2/3% of the voting power of the shares of the then outstanding voting stock of the Corporation, voting together as a single class, shall be required to adopt new By-laws or to alter, amend or repeal the By-laws.

9. Amendment of Articles of Incorporation. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in these Articles of Incorporation, and other provisions authorized by the laws of the State of Nevada at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, Directors or any other persons whomsoever by and pursuant to these Articles of Incorporation in their present form or as hereafter amended are granted subject to the rights reserved in this article. Notwithstanding any other provisions of these Articles of Incorporation or the By-laws (and notwithstanding the fact that a lesser percentage may be permitted by applicable law, these Articles of Incorporation or the By-laws), but in addition to any affirmative vote of the holders of any particular class of stock of the Corporation required by applicable law or these Articles of Incorporation, the affirmative vote of the holders of at least 66-2/3% of the voting power of the shares of the then outstanding voting stock of the Corporation, voting together as a single class, shall be required to amend or repeal, or

adopt any provisions inconsistent with, Section 5.4 or Articles 8, 9 or 10 of these Articles of Incorporation.

10. Written Consent Prohibition. Except as otherwise provided for or fixed pursuant to the provisions of Article 4 of these Articles of Incorporation relating to the rights of holders of any series of Preferred Stock, no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, unless the action to be effected by written consent of stockholders and the taking of such action by such written consent have expressly been approved in advance by the Board.

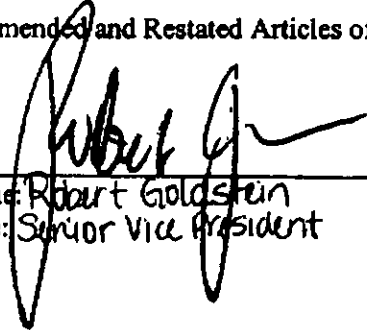
11. Special Meetings of the Corporation's Shareholders. Unless otherwise provided by applicable law, a special meeting of the Corporation's shareholders may be called only by (a) the Corporation's Chairman of the Board; or (b) a majority of the members of the Board, and may not be called by any other person or persons.

12. Business Combinations Act. The Corporation hereby elects not to be governed by the provisions of Sections 78.411-78.444 of the Revised Statutes.

[Signature appears on following page]

[signature page to Certificate of Amended and Restated Articles of
Incorporation]

WITNESS the signature of this Amended and Restated Articles of
Incorporation this 14th day of December 2004.

By: 
Name: Robert Goldstein
Title: Senior Vice President

STATE OF NEVADA
Secretary of State

I hereby certify that this is a true and
complete copy of the document as filed
in this office

DEC 16 2004

By


Dean Heller
Secretary of State



DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4299
(776) 684 5708
Website: secretaryofstate.biz

TA \$175

FILED # 221244-04

DEC 16 2004

IN THE OFFICE OF
DEAN HELLER, SECRETARY OF STATE

**Certificate to Accompany
Restated Articles**
(PURSUANT TO NRS)

Important: Read attached instructions before completing form.

ABOVE SPACE IS FOR OFFICE USE ONLY

This Form is to Accompany Restated Articles of Incorporation

(Pursuant to NRS 78.403, 82.371, 86.221, 88.365 or 88A.268)

(This form is also to be used to accompany Restated Articles for Limited-Liability Companies, Certificates of Limited Partnership, Limited-Liability Limited Partnerships and Business Trusts)

1. Name of Nevada entity as last recorded in this office:

LAS VEGAS SANDS CORP.

2. The articles are being ☐ Restated or ☒ Amended and Restated (check only one). Please entitle your attached articles "Restated" or "Amended and Restated," accordingly.

3. Indicate what changes have been made by checking the appropriate box.*

- ☐ No amendments; articles are restated only and are signed by an officer of the corporation who has been authorized to execute the certificate by resolution of the board of directors adopted on the certificate correctly sets forth the text of the articles or certificate as amended to the date of the certificate. The
- ☐ The entity name has been amended.
- ☒ The resident agent has been changed. (attach Certificate of Acceptance from new resident agent)
- ☐ The purpose of the entity has been amended.
- ☐ The authorized shares have been amended.
- ☐ The directors, managers or general partners have been amended.
- ☐ IRS tax language has been added.
- ☒ Articles have been added.
- ☒ Articles have been deleted.
- ☐ Other. The articles or certificate have been amended as follows: (provide article numbers, if available)

* This form is to accompany Restated Articles which contain newly altered or amended articles. The Restated Articles must contain all of the requirements as set forth in the statutes for amending or altering the articles or certificates.

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees. See attached fee schedule.

Exhibit B

LAS VEGAS SANDS CORP (LVS)

3355 LAS VEGAS BOULEVARD, SOUTH
ROOM 1A
LAS VEGAS, NV 89109
(702) 414-10
<http://www.lasvegassands.com/>

10-K

FORM 10-K
Filed on 03/02/2009 - Period: 12/31/2008
File Number 001-32373



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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2008
- or
- ☐ **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 registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)
3355 Las Vegas Boulevard South
Las Vegas, Nevada
(Address of principal executive offices)

27-0099920
(IRS Employer
Identification No.)
89109
(Zip Code)

Registrant's telephone number, including area code:
(702) 414-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock (\$0.001 par value)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

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

As of June 30, 2008, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$4,997,446,350 based on the closing sale price on that date as reported on the New York Stock Exchange.

The Company had 652,831,025 shares of common stock outstanding as of February 19, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

Description of document	Part of the Form 10-K
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PART I

ITEM 1. — BUSINESS

Overview

Las Vegas Sands Corp. and its subsidiaries (“we” or the “Company”) own and operate The Venetian Resort Hotel Casino (“The Venetian Las Vegas”), The Palazzo Resort Hotel Casino (“The Palazzo”) and The Sands Expo and Convention Center (the “Sands Expo Center”) in Las Vegas, Nevada, and the Sands Macao, The Venetian Macao Resort Hotel (“The Venetian Macao”) and the Four Seasons Hotel Macao, Cotai StripTM (the “Four Seasons Macao”) in Macao, People’s Republic of China (“China”). We are also creating a master-planned development of integrated resort properties, anchored by The Venetian Macao, which we refer to as the Cotai StripTM in Macao. In addition, we are developing Marina Bay Sands, an integrated resort in Singapore, and Sands Casino Resort Bethlehem (the “Sands Bethlehem”), an integrated resort in Bethlehem, Pennsylvania.

Our Company

Las Vegas Sands Corp. (“LVSC”) was incorporated as a Nevada corporation in August 2004. Our common stock is traded on the New York Stock Exchange (the “NYSE”) under the symbol “LVS.” Immediately prior to our initial public offering in December 2004, we acquired 100% of the capital stock of Las Vegas Sands, Inc. (“LVSI”), a Nevada corporation and the direct or indirect owner and operator of The Venetian Las Vegas, Sands Expo Center and Sands Macao, by merging LVSI with and into our wholly-owned subsidiary, leaving LVSI as the surviving subsidiary. LVSI was incorporated in Nevada in April 1988. In July 2005, LVSI was converted into a limited liability company and changed its name to Las Vegas Sands, LLC (“LVSLLC”).

Our principal executive office is located at 3355 Las Vegas Boulevard South, Las Vegas, Nevada 89109. Our telephone number at that address is (702) 414-1000. Our website address is www.lasvegassands.com. The information on our website under “Investor Information” is not part of this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and other Securities and Exchange Commission (“SEC”) filings, and any amendments to those reports and any other filings that we file with or furnish to the SEC under the Securities Exchange Act of 1934 are made available free of charge on our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

This Annual Report on Form 10-K contains certain forward-looking statements. See “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Special Note Regarding Forward-Looking Statements.”

Our principal operating and developmental activities occur in three geographic areas: Las Vegas, Macao and Singapore. Management 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 Macao; The Venetian Macao; Four Seasons Macao; and Other Asia (comprised primarily of our ferry operations). Management also reviews construction and development activities for each of its primary projects, some of which have been suspended (as further described below): The Venetian Las Vegas; The Palazzo; Sands Macao; The Venetian Macao; Four Seasons Macao; Other Asia (comprised of the ferry operations and various other operations that are ancillary to our properties in Macao); Marina Bay Sands in Singapore; Other Development Projects (Cotai Strip parcels 3, 5, 6, 7 and 8); and Corporate and Other (comprised primarily of airplanes, our St. Regis-branded Las Vegas condominium project and Sands Bethlehem). The Venetian Las Vegas and The Palazzo operating segments are managed as a single integrated resort and have been aggregated as one reportable segment (collectively, 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. See “Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 17 — Segment Information.”

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Operations

Las Vegas

With the opening of The Palazzo in December 2007, our Las Vegas Operating Properties represent an integrated resort with approximately 7,100 suites and approximately 225,000 square feet of gaming space, which includes approximately 260 table games and 2,850 slot machines.

The Venetian Las Vegas has 4,027 suites situated in a 3,014-suite, 35-story three-winged tower rising above the casino and the 1,013-suite, 12-story Venezia tower situated above a parking garage. The casino at The Venetian Las Vegas has approximately 120,000 square feet of gaming space and includes approximately 130 table games and 1,450 slot machines. The Venetian Las Vegas features a variety of amenities for its guests, including a Paiza Club[™] offering high-end services and amenities to VIP customers, including luxurious suites, spa facilities and private gaming rooms; a Canyon Ranch SpaClub, operated by Canyon Ranch; and a theater/entertainment complex featuring a wide variety of entertainment. The Venetian Las Vegas also includes an enclosed retail, dining and entertainment complex of approximately 440,000 net leasable square feet ("The Grand Canal Shoppes"), which was sold to General Growth Partners ("GGP") in 2004.

The Palazzo features modern European ambience and design reminiscent of Italian affluent living, is situated adjacent to and north of The Venetian Las Vegas, and is directly connected to The Venetian Las Vegas and Sands Expo Center. The casino at The Palazzo is approximately 105,000 square feet of gaming space and has approximately 130 table games and 1,400 slot machines. The Palazzo has a 50-floor luxury hotel tower with 3,066 suites and includes a Canyon Ranch SpaClub; a Paiza Club; an entertainment center; and an enclosed shopping and dining complex of approximately 400,000 net leasable square feet ("The Shoppes at The Palazzo"), which was sold to GGP on February 29, 2008.

With approximately 1.2 million gross square feet of exhibit and meeting space, Sands Expo Center is one of the largest overall trade show and convention facilities in the United States (as measured by net leasable square footage). We also own and operate an approximately 1.1 million gross square foot meeting and conference facility that links Sands Expo Center to The Venetian Las Vegas and The Palazzo. Together, we offer approximately 2.3 million gross square feet of state-of-the-art exhibition and meeting facilities that can be configured to provide small, mid-size or large meeting rooms and/or accommodate large-scale multi-media events or trade shows. Management believes that these combined facilities, together with the on-site amenities offered by The Venetian Las Vegas and The Palazzo, provide a flexible and expansive space for large-scale trade shows and conventions.

Management markets the meeting and conference facility to complement the operations of Sands Expo Center for business conferences and upscale business events typically held during the mid-week period, thereby generating room-night demand and driving average daily room rates during the weekday move-in/move-out phases of Sands Expo Center's events. Events at our exhibition and meeting facilities typically take place during the mid-week when Las Vegas hotels and casinos experience lower demand, unlike weekends and holidays during which occupancy and room rates are at their peaks. Our goal is to draw from attendees and exhibitors at these facilities to maintain mid-week demand at our hotels from this higher-budget market segment, when room demand would otherwise be derived from the lower-budget tour-and-travel-group market segment. In 2008, approximately 1.3 million visitors attended meetings, trade shows and conventions at Sands Expo Center and our meeting and conference facilities.

Macao

Our Macao operations consist of the Sands Macao, The Venetian Macao, Four Seasons Macao and other ancillary operations that support these properties.

We own and operate the Sands Macao, the first Las Vegas-style casino in Macao, pursuant to a 20-year gaming subconcession. The Sands Macao is situated near the Macao-Hong Kong Ferry Terminal on a waterfront parcel centrally located between the Gonbei border gate and the central business district. This location provides the Sands Macao primary access to a large customer base, particularly the approximately 9.7 million visitors who arrived in Macao by ferry in 2008. The Sands Macao includes approximately 229,000 square feet of gaming space and currently has approximately 450 table games and 1,100 slot machines or similar electronic gaming devices. The

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Sands Macao also includes a 289-suite hotel tower, several restaurants, a spacious Paiza Club, a theater and other high-end services and amenities.

On August 28, 2007, we opened The Venetian Macao, the anchor property for our Cotai Strip development, which is located approximately two miles from Macao's Taipa Temporary Ferry Terminal on Macao's Taipa Island. The Venetian Macao includes approximately 550,000 square feet of gaming space and has approximately 620 table games and 2,130 slot machines or similar electronic gaming devices, and a designed capacity of approximately 1,150 table games and 7,000 slot machines or similar electronic gaming devices. The Venetian Macao, with a theme similar to that of The Venetian Las Vegas, also features a 39-floor luxury hotel tower with over 2,900 suites; approximately 1.0 million square feet of retail and dining offerings; a convention center and meeting room complex of approximately 1.2 million square feet; a 15,000-seat arena that has hosted a wide range of entertainment and sporting events; and a 1,800-seat theater that features *Zaia*, an original production from Cirque Du Soleil.

Management believes that the convention center and meeting room complex combined with the on-site amenities offered at The Venetian Macao provides a flexible and expansive space for large-scale trade shows and conventions. We market The Venetian Macao similar to our Las Vegas Operating Properties, with events at the convention and meeting room complex typically taking place during the week when hotels and casinos in Macao normally experience lower demand, unlike weekends and holidays during which occupancy and room rates are at their peak. Our goal is to draw from attendees and exhibitors at our convention and meeting room complex to maintain mid-week demand at our hotel from this higher-budget market segment.

On August 28, 2008, we opened the Four Seasons Macao, which is located adjacent to The Venetian Macao. The Four Seasons Macao features 360 rooms and suites managed by Four Seasons Hotels Inc.; approximately 70,000 square feet of gaming space with approximately 120 table games and 200 slot machines or similar electronic gaming devices; several food and beverage offerings; conference and banquet facilities; and retail space of approximately 211,000 square feet, which is connected to the mall at The Venetian Macao. The property will also feature 19 Paiza mansions, which are currently expected to open in the second quarter of 2009, and the Four Seasons Apartments Macao, Cotai Strip[™] (the "Four Seasons Apartments"), which will consist of approximately 1.0 million square feet of Four Seasons-serviced and -branded luxury apartment hotel units and common areas. These units are intended for sale and are currently expected to open in the third quarter of 2009. As of December 31, 2008, we have capitalized construction costs of \$873.4 million for this project (including \$110.0 million of outstanding construction payables). We expect to spend approximately \$360 million on costs to complete the Paiza mansions and Four Seasons Apartments, including FF&E, pre-opening costs and additional land premiums, and to pay for outstanding construction payables.

Development Projects

Given current conditions in the capital markets and the global economy and their impact on our ongoing operations, on November 10, 2008, we announced our revised development plan to suspend portions of our development projects and focus our development efforts on those projects with the highest rates of expected return on invested capital. Should general economic conditions not improve, if we are unable to obtain sufficient funding 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.

United States Development Projects

Sands Bethlehem

We are in the process of developing Sands Bethlehem, a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania, which is approximately 70 miles from midtown Manhattan, New York. Sands Bethlehem is also expected to be home to the National Museum of Industrial History, an arts and cultural center, and the broadcast home of the local PBS affiliate. In August 2007, our indirect majority-owned subsidiary, Sands Bethworks Gaming LLC ("Sands Bethworks Gaming"), was issued a Pennsylvania gaming license by the Pennsylvania Gaming Control Board. We own 86% of the economic interest of the gaming, hotel and entertainment portion of the property through our ownership interest in Sands Bethworks

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Gaming and more than 35% of the economic interest of the retail portion of the property through our ownership interest in Sands Bethworks Retail, LLC ("Sands Bethworks Retail").

We are continuing construction of the casino component of the 124-acre development, which will open with 3,000 slot machines (with the ability to increase to 5,000 slot machines six months after the opening date) and will include a variety of dining options, as well as the parking garage and surface parking. As part of the revised development plan, construction activities on the remaining components, which include a 300-room hotel, an approximate 200,000-square-foot retail facility, a 50,000-square-foot multipurpose event center and a variety of additional dining options, have been temporarily suspended and are intended to recommence when capital markets and general economic conditions improve. As of December 31, 2008, we have capitalized construction costs of \$417.8 million for this project (including \$68.3 million of outstanding construction payables). We expect to spend approximately \$360 million on additional costs to complete the construction of the casino and parking components, costs to prepare the remaining portion of the site for delay, FF&E (including the additional 2,000 slot machines to be added six months after the opening date), pre-opening and other costs, and to pay outstanding construction payables. We expect to open the casino and parking components in the second quarter of 2009. The impact of the suspension on the estimated overall cost of the project's remaining components is currently not determinable.

St. Regis Residences

We had been constructing a St. Regis-branded high-rise residential condominium tower, the St. Regis Residences at The Venetian Palazzo (the "St. Regis Residences"), which is situated between The Palazzo and The Venetian Las Vegas on the Las Vegas Strip and was expected to feature approximately 400 luxury residences. As part of our revised development plan, 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 these conditions improve and expect that it will take approximately 18 months from when construction recommences to complete the project. As of December 31, 2008, we have capitalized construction costs of \$173.0 million for this project (including \$49.8 million of outstanding construction payables). We expect to spend approximately \$60 million on additional costs to prepare the site for delay and to complete construction of the podium portion (which is part of The Shoppes at The Palazzo and includes already leased retail and entertainment space), and to pay outstanding construction payables. The impact of the suspension on the estimated overall cost of the project is currently not determinable.

Macao Development Projects

We have submitted plans to the Macao government for our Cotai Strip developments, which represent five 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 parcels 3, 5, 6, 7 and 8). The developments are expected to include hotels, exhibition and conference facilities, casinos, showrooms, shopping malls, spas, restaurants, entertainment facilities and other amenities. We had commenced construction or pre-construction for these five parcels and planned to own and operate all of the casinos in these developments under our Macao gaming subconcession. In addition, we were completing the development of some public areas surrounding our Cotai Strip properties on behalf of the Macao government. We intended to develop our other Cotai Strip properties as follows:

- Parcels 5 and 6 were intended to include multi-hotel complexes with a total of approximately 6,400 luxury and mid-scale hotel rooms, a casino, a shopping mall and approximately 320 serviced luxury apartment hotel units. We will own the entire development and have entered into management agreements with Shangri-La Hotels and Resorts ("Shangri-La") to manage two hotels under its Shangri-La and Traders brands, and Starwood Hotels & Resorts Worldwide ("Starwood") to manage hotels under its Sheraton brand and a hotel and serviced luxury apartment hotel under its St. Regis brand. Under our revised development plan, we will sequence the construction of the project due to difficulties in the capital markets and the overall decline in general economic conditions. Phase I of the project includes the Shangri-La and Traders tower and the first Sheraton tower, along with the podium that encompasses the casino, associated public areas, portions of the shopping mall and approximately 100,000 square feet of meeting space. We have suspended construction of phase I while we pursue project-level financing; however, there can be no assurance that such financing will be obtained. If and when financing has been obtained, we expect it will take approximately twelve months to

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complete construction of phase I. Construction of phase II of the project, which includes the second Sheraton tower and the St. Regis hotel and serviced luxury apartment hotel, has been suspended until conditions in the capital markets and general economic conditions improve. As of December 31, 2008, we have capitalized construction costs of \$1.65 billion for this project (including \$152.6 million of outstanding construction payables). We expect to spend approximately \$540 million on additional costs to prepare the site for delay and to pay outstanding construction payables. The impact of the revised development plan on the estimated overall cost of the project is currently not determinable. Our management agreements with Shangri-La and Starwood impose certain construction deadlines and opening obligations on us, and the delays described above create a significant risk that we may not be able to meet these deadlines and obligations. See "Item 1A — Risk Factors — Risks Associated with Our International Operations — Our revised development plan may give certain of our hotel managers for our Cotai Strip developments the right to terminate their agreements with us."

- Parcels 7 and 8 were intended to include multi-hotel complexes with luxury and mid-scale hotel rooms, a casino, a shopping mall and serviced luxury apartment hotel units. We will own the entire development and have entered into non-binding agreements with Hilton Hotels to manage Hilton and Conrad brand hotels and serviced luxury apartment hotel units on parcel 7, and Fairmont Raffles Holdings to manage Fairmont and Raffles brand hotels and serviced luxury apartment hotel units on parcel 8. We had commenced pre-construction and have capitalized construction costs of \$119.3 million as of December 31, 2008. We intend to commence construction after necessary government approvals are obtained, regional and global economic conditions improve, future demand warrants it and additional financing is obtained.
- For parcel 3, we have signed a non-binding memorandum of agreement with an independent developer. We have signed a non-binding letter of intent with Intercontinental Hotels Group to manage hotels under the Intercontinental and Holiday Inn International brands, and serviced luxury apartment hotel units under the Intercontinental brand, on this site. In total, the multi-hotel complex was intended to include a casino, a shopping mall and the serviced luxury apartment hotels units. We had commenced pre-construction and have capitalized construction costs of \$35.6 million as of December 31, 2008. We intend to commence construction after necessary government approvals are obtained, regional and global economic conditions improve, future demand warrants it and additional financing is obtained.

The impact of the delayed construction of our Cotai Strip developments on our overall estimated cost to build is currently not determinable. As of December 31, 2008, we have capitalized an aggregate of \$5.3 billion in construction costs for these Cotai Strip projects, including The Venetian Macao and Four Seasons Macao. 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.

We have received a land concession from the Macao government to build on parcels 1, 2 and 3, including the sites on which The Venetian Macao (parcel 1) and Four Seasons Macao (parcel 2) are located. We do not own these land sites in Macao; however, the land concession, which has an initial term of 25 years and is renewable at our option in accordance with Macao law, grants us exclusive use of the land. As specified in the land concession, we are required to pay premiums, which are either payable over four years or are due upon the completion of the corresponding integrated resort, as well as annual rent for the term of the land concession. In October 2008, the Macao government amended our land concession to separate the retail and hotel portions of the Four Seasons Macao parcel and allowed us to subdivide the parcel into four separate components, consisting of retail, hotel/casino, Four Seasons Apartments and parking areas. In consideration for the amendment, we paid an additional land premium of approximately \$17.8 million and will pay adjusted annual rent over the remaining term of the concession, which increased slightly due to the revised allocation of parcel use.

We do not yet have all the necessary Macao government approvals that we will need in order to develop our planned Cotai Strip developments on parcels 3, 5, 6, 7 and 8. We have received a land concession for parcel 3, as previously noted, but have not yet been granted land concessions for parcels 5, 6, 7 and 8. We are in the process of negotiating with the Macao government to obtain the land concession for parcels 5 and 6, and will subsequently negotiate the land concession for parcels 7 and 8. Based on historical experience with the Macao government with respect to our land concessions for the Sands Macao and parcels 1, 2 and 3, management believes that the land

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concessions for parcels 5, 6, 7 and 8 will be granted; however, if we do not obtain these land concessions, we could forfeit all or a substantial part of our \$1.77 billion in capitalized costs related to our developments on parcels 5, 6, 7 and 8 as of December 31, 2008.

Under our land concession for parcels 1, 2 and 3, we are required to complete the development of parcel 3 by August 2011. We believe that if we are not able to complete the development of parcel 3 by the deadline, we will be able to obtain an extension; however, no assurances can be given that an extension will be granted by the Macao government. If we are unable to meet the August 2011 deadline and that deadline is not extended or the portion of the land concession related to parcel 3 is not separated from the portions related to parcels 1 and 2, we could lose our land concession for parcels 1, 2 and 3, which would prohibit us from continuing to operate The Venetian Macao, Four Seasons Macao or any other facilities developed under the land concession, and we could forfeit all or a substantial portion of our \$3.53 billion in capitalized costs related to our developments on parcels 1, 2 and 3 as of December 31, 2008. See "Item 1A — Risk Factors — Risks Associated with Our International Operations — We are required to build and open our developments on parcel 3 of the Cotai Strip by August 2011. Unless we meet this deadline or obtain an extension, we may lose our right to continue to operate The Venetian Macao, Four Seasons Macao and any other facilities developed under the land concession."

Singapore Development Project

In August 2006, our wholly-owned subsidiary, Marina Bay Sands Pte. Ltd. ("MBS"), entered into a development agreement (the "Development Agreement") with the Singapore Tourism Board (the "STB") to build and operate an integrated resort called Marina Bay Sands in Singapore. Marina Bay Sands is expected to include three 50+ story hotel towers (totaling approximately 2,600 rooms), a casino, an enclosed retail, dining and entertainment complex of approximately 800,000 net leasable square feet, a convention center and meeting room complex of approximately 1.3 million square feet, theaters and a landmark iconic structure at the bay-front promenade that will contain an art/science museum. We are continuing to finalize various design aspects of the integrated resort and are in the process of finalizing our cost estimates for the project. As of December 31, 2008, we have capitalized 3.24 billion Singapore dollars ("SGD," approximately \$2.25 billion at exchange rates in effect on December 31, 2008) in costs for this project, including the land premium and SGD 378.4 million (approximately \$263.0 million at exchange rates in effect on December 31, 2008) of outstanding construction payables. As of December 31, 2008, we expect to spend approximately SGD 4.7 billion (approximately \$3.27 billion at exchange rates in effect on December 31, 2008) on additional costs to complete the construction of the integrated resort, FF&E, pre-opening and other costs, and to pay outstanding construction payables through 2011, of which approximately SGD 2.59 billion (approximately \$1.80 billion at exchange rates in effect on December 31, 2008) is expected to be spent in 2009 before the project opens. As we have obtained Singapore-denominated financing and primarily pay our costs in Singapore dollars, our exposure to foreign exchange gains and losses is expected to be minimal. Based on our current development plan, we intend to continue construction on our existing timeline with the majority of the project targeted to open in late 2009 or early 2010.

Hengqin Island Development Project

We have entered into a non-binding letter of intent with the Zhuhai Municipal People's Government of China to work together to create a master plan for, and develop, a leisure and convention destination resort on Hengqin Island, which is located within mainland China, approximately one mile from the Cotai Strip. In January 2007, we were informed that the Zhuhai Government established a Project Coordination Committee to act as a government liaison empowered to work directly with us to advance the development of the project. Under the revised development plan, we have indefinitely suspended the project.

Other Development Projects

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. In July 2008, we withdrew our previously submitted application to develop a casino resort in the Kansas City, Kansas, metropolitan area.

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The Las Vegas Market

The hotel/casino industry is highly competitive. Hotels on the Las Vegas Strip compete with other hotels on and off the Las Vegas Strip, including hotels in downtown Las Vegas. Competitors of our Las Vegas Operating Properties include resorts on the Las Vegas Strip, such as the Bellagio, Mandalay Bay, Wynn Las Vegas, Encore and Caesars Palace, and properties off the Las Vegas Strip. In addition, several large projects are expected to open in the next several years; some of these facilities are or will be operated by companies that may have significant name recognition and financial and marketing resources and may target the same customers as we do. We also compete with casinos located on Native American tribal lands. The proliferation of gaming in California and other areas located in the same region as our Las Vegas Operating Properties could have an adverse effect on our financial condition, results of operations or cash flows. Our Las Vegas Operating Properties also compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, hotel/casino and other resort facilities elsewhere in the country and the world, internet gaming websites and state lotteries. As a result of the current economic environment and a reduction in discretionary consumer spending, the nature of the current operating environment may lend itself to increased competition particularly along the Las Vegas Strip. See "Item 1A — Risk Factors — Risks Related to Our Business — Our business is particularly sensitive to reductions in discretionary consumer spending as a result of downturns in the economy."

In addition, certain states have legalized, and others may legalize, casino gaming in specific areas. The continued proliferation of gaming venues could significantly and adversely affect our business. In particular, the legalization of casino gaming in or near major metropolitan areas from which we traditionally attract customers could have a material adverse effect on our business. The current global trend toward liberalization of gaming restrictions and the resulting proliferation of gaming venues could result in a decrease in the number of visitors to our Las Vegas Operating Properties, which could adversely effect our financial condition, results of operations or cash flows.

Las Vegas generally competes with trade show and convention facilities located in and around major U.S. cities. Within Las Vegas, the Sands Expo Center competes with the Las Vegas Convention Center (the "LVCC"), which currently has approximately 3.2 million gross square feet of convention and exhibit facilities. A major expansion project for the LVCC is expected to be completed in 2011. In addition to the LVCC, Mandalay Bay, MGM Grand Hotel and Casino, Mirage and Wynn Las Vegas have convention and conference facilities that compete with our Las Vegas Operating Properties. Several large projects, which are expected to open in the next several years, may include additional convention and conference facilities.

To the extent that any of the competitors of our Las Vegas Operating Properties can offer a hotel/casino experience that is integrated with substantial trade show and convention, conference and meeting facilities, our competitive advantage in attracting trade show and convention, conference and meeting attendees could be adversely affected. In addition, other American cities are in the process of developing, or have announced plans to develop, convention center and other meeting, trade and exhibition facilities that may compete with ours.

The Macao Market

Macao as a Gaming and Resort Destination

Macao is regarded as the largest gaming market in the world and is the only market in China to offer legalized casino gaming. In May 2004, Sands Macao became the first Las Vegas-style casino to open in Macao and with our openings of The Venetian Macao in August 2007 and the Four Seasons Macao in August 2008, we believe that our high-quality gaming product has enabled us to capture a meaningful share of the overall market, including the VIP player market segment, in Macao.

Gaming revenues in Macao in 2008 reached \$13.6 billion, a 31.0% increase over 2007. Visits to Macao were up 11.8% in 2008, when compared to 2007. According to Macao government statistics, during 2008 (through November), 21.4% of visitors traveling to Macao stayed overnight in hotels and guestrooms and, for those who stayed overnight in hotels and guestrooms, the average length of stay was between 1 and 2 nights. We expect this length of stay to increase with increased visitation, the expansion of gaming and non-gaming amenities including

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retail, entertainment, meeting and convention facility offerings, and the addition of upscale hotel accommodations in Macao.

Table games are the dominant form of gaming in Asia with baccarat being the most popular game, followed by other traditional U.S. and Asian games. Slot machines are offered in Macao, but the structure of the gaming market in Macao has historically favored table gaming. With the increase in the mass gaming market in Macao, slot machines are becoming an important feature of the market. We expect the slot machine business to grow in Macao, and we intend to continue to introduce more modern and popular products that appeal to the Asian marketplace.

We believe that as new facilities and standards of service are introduced, Macao will become an even more desirable tourist destination. The improved experience of visitors to Macao should lead to longer stays, an increase in repeat visitation from existing feeder markets and the opening of several new feeder markets. In addition, we believe that an expanding Chinese middle class will eventually lead to increased travel to Macao and generate increased demand for gaming, entertainment and resort offerings as global general economic conditions improve.

Proximity to Major Asian Cities

Approximately 1.0 billion people are estimated to live within a three-hour flight from Macao and approximately 3.0 billion people are estimated to live within a five-hour flight from Macao. According to Macao government statistics, 85.2% of the tourists who visited Macao in 2008 came from Hong Kong or mainland China. Although the total number of visitors from Hong Kong continues to grow, that market has shrunk as a percentage of the total visitor distribution from 38.9% in 2003 to 27.2% in 2008, while visitors from mainland China made up 58.0% of total visitors to Macao in 2008. Recent travel restrictions from mainland China are affecting overall visitation to Macao. See "Item 1A — Risk Factors — Risks Associated with Our International Operations — The number of visitors to Macao, particularly visitors from mainland China, may decline or travel to Macao may be disrupted."

Gaming customers from Hong Kong, southeast China, Taiwan and other locations in Asia can reach Macao in a relatively short period of time, using a variety of transportation methods, and visitors from more distant locations in Asia can take advantage of short travel times by air to Macao, Zhuhai, Shenzhen, Guangzhou or to Hong Kong (followed by a road, ferry or helicopter trip to Macao). In addition, numerous carriers fly directly into Macao International Airport from many major cities in Asia. The relatively easy access from major population centers promotes Macao as a popular gaming and resort destination in Asia.

Macao draws a significant number of gaming customers from both visitors to and residents of Hong Kong. One of the major methods of transportation to Macao from Hong Kong is the jetfoil ferry service, including our ferry service, The Cotai Strip CotaiJet[™], which we opened in late 2007. Macao is also accessible from Hong Kong by helicopter. In addition, the proposed bridge linking Hong Kong, Macao and Zhuhai is expected to reduce the travel time between central Hong Kong and Macao. The bridge is expected to be completed sometime between 2015 and 2016.

The Macao pataca and the Hong Kong dollar are linked to each other and, in many cases, are used interchangeably in Macao; however, currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of our operations. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the legal currency in China. In addition, restrictions on the export of the renminbi may impede the flow of gaming customers from mainland China to Macao, inhibit the growth of gaming in Macao or negatively impact our gaming operations.

Competition in Macao

Gaming in Macao is administered through government-sanctioned concessions awarded to three different concessionaires and three subconcessionaires, of which we are one. The Macao government has undertaken contractually not to grant additional gaming concessions until April 1, 2009. If the Macao government were to allow additional competitors to operate in Macao through the grant of additional concessions or subconcessions, we would face additional competition, which could have a material adverse effect on our financial condition, results of operations or cash flows.

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first-class restaurant and retail complexes. For so long as The Venetian Las Vegas is operated in accordance with a "Venetian" theme, the owner of The Grand Canal Shoppes must operate The Grand Canal Shoppes in accordance with the overall Venetian theme.

Maintenance and Repair. We must maintain The Venetian Las Vegas and The Palazzo as well as some common areas and common facilities that are to be shared with The Grand Canal Shoppes and The Shoppes at The Palazzo. The cost of maintenance of all shared common areas and common facilities is to be shared between us and the owners of The Grand Canal Shoppes and The Shoppes at The Palazzo. We must also maintain, repair, and restore Sands Expo Center and certain common areas and common facilities located in Sands Expo Center. The owners of The Grand Canal Shoppes and The Shoppes at The Palazzo must maintain, repair, and restore The Grand Canal Shoppes and The Shoppes at The Palazzo and certain common areas and common facilities located within.

Insurance. We and the owners of The Grand Canal Shoppes and The Shoppes at The Palazzo must maintain minimum types and levels of insurance, including property damage, general liability and business interruption insurance. The cooperation agreement establishes an insurance trustee to assist in the implementation of the insurance requirements.

Parking. The cooperation agreement also addresses issues relating to the use of the Integrated Resort's parking facilities and easements for access. The Venetian Las Vegas, The Palazzo, Sands Expo Center, The Grand Canal Shoppes and The Shoppes at The Palazzo may use the parking spaces in the Integrated Resort's parking facilities on a "first come, first served" basis. The Integrated Resort's parking facilities are owned, maintained, and operated by us, with the operating costs proportionately allocated among and/or billed to the owners of the components of the Integrated Resort. Each party to the cooperation agreement has granted to the others non-exclusive easements and rights to use the roadways and walkways on each other's properties for vehicular and pedestrian access to the parking garages.

Utility Easement. All property owners have also granted each other all appropriate and necessary easement rights to utility lines servicing the Integrated Resort.

Consents, Approvals and Disputes. If any current or future party to the cooperation agreement has a consent or approval right or has discretion to act or refrain from acting, the consent or approval of such party will only be granted and action will be taken or not taken only if a commercially reasonable owner would do so and such consent, approval, action or inaction would not have a material adverse effect on the property owned by such property owner. The cooperation agreement provides for the appointment of an independent expert to resolve some disputes between the parties, as well as for expedited arbitration for other disputes.

Sale of The Grand Canal Shoppes or The Shoppes at The Palazzo by GGP. We have a right of first offer in connection with any proposed sale of The Grand Canal Shoppes or The Shoppes at The Palazzo by GGP. We also have the right to receive notice of any default by GGP sent by any lender holding a mortgage on The Grand Canal Shoppes or The Shoppes at The Palazzo, if any, and the right to cure such default subject to our meeting certain net worth tests.

ITEM 1A. — RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this Annual Report on Form 10-K in connection with evaluating the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely effect our business, financial condition, results of operations or cash flows. Certain statements in "Risk Factors" are forward-looking statements. See "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Special Note Regarding Forward-Looking Statements."

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Risks Related to Our Business

Recent disruptions in the financial markets could adversely affect our ability to raise additional financing. If we are unable to raise additional capital in the near term, we would need to consider suspending additional portions, if not all, of our remaining global development projects. Should general economic conditions not improve, if we are unable to obtain sufficient funding 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.

Widely documented disruptions in the commercial credit markets have resulted in a tightening of credit markets worldwide. Liquidity in the global credit markets has been severely contracted by these market disruptions, making it difficult and costly to obtain new lines of credit or to refinance existing debt. The effects of these disruptions are widespread and difficult to quantify, and it is impossible to predict when the global credit markets will improve or when the credit contraction will stop. In particular, our business and financing plan is dependent upon completion of various financings, including additional financings in Macao and Singapore, as described in "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." Given the state of the current credit environment, it may be difficult to obtain any additional financing on acceptable terms, which could have an adverse effect on our ability to complete our planned development projects, and as a consequence, our results of operations and business plans. If we are unable to raise additional capital in the near term, we would need to consider suspending additional portions, if not all, of our remaining global development projects. Should general economic conditions not improve, if we are unable to obtain sufficient funding such that completion of our 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 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.

In addition, some of our lenders may have suffered losses related to their lending and other financial dealings, especially because of the general weakening of the global economy and increased financial instability of many borrowers. As a result, some of the lenders under our credit facilities have become and may become insolvent, which could make it more difficult for us to borrow under the delayed draw and revolving portions of our existing credit facilities. Our financial condition, results of operations and cash flows could be adversely effected if we are unable to draw funds under these facilities because of a lender default.

Our business is particularly sensitive to reductions in discretionary consumer spending as a result of downturns in the economy.

Consumer demand for hotel/casino resorts, trade shows and conventions and for the type of luxury amenities we offer is particularly sensitive to downturns in the economy and the corresponding impact on discretionary spending on leisure activities. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions; the current housing crisis and the credit crisis; high energy, fuel and food costs; the increased cost of travel; the potential for bank failures; the weakening job market; perceived or actual disposable consumer income and wealth; fears of recession and changes in consumer confidence in the economy; or fears of war and future acts of terrorism. These factors could reduce consumer demand for the luxury amenities and leisure activities we offer, thus imposing practical limits on pricing and harming our operations.

The current housing crisis and economic slowdown in the U.S. has resulted in a significant decline in the amount of tourism and spending in Las Vegas. According to Las Vegas visitor statistics, occupancy rates across Las Vegas declined by 4.2%, room rates declined by 9.8% and gaming revenue declined by 9.9%, in 2008 compared to 2007. For the quarter ended December 31, 2008, occupancy rates across Las Vegas declined by 9.3%, room rates declined by 12.3% and gaming revenue declined by 22.0%, compared to the quarter ended December 31, 2007.

The general global economic slowdown has also resulted in a recent decline in the number of visitors and gaming revenue in Macao. According to Macao government statistics, while gaming revenue increased 31.0% in 2008 as compared to 2007, gaming revenue for the quarter ended December 31, 2008, declined 2.5% as compared to the quarter ended December 31, 2007. Visitor arrivals to Macao increased in 2008 by 11.8%; however, for the

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quarter ended December 31, 2008, the increase was only 2.6% compared to the 2007 respective periods. In 2008, occupancy rates have declined 3.2%, as compared to 2007. If these recent trends continue, our financial condition, results of operations and cash flows may be adversely effected.

There are significant risks associated with our planned construction projects, which could adversely effect our financial condition, results of operations or cash flows from these planned facilities.

Our ongoing and future construction projects, such as our Cotai Strip projects, Marina Bay Sands, Sands Bethlehem and the St. Regis Residences, entail significant risks. Construction activity requires us to obtain qualified contractors and subcontractors, the availability of which may be uncertain. Construction projects are subject to cost overruns and delays caused by events outside of our control or, in certain cases, our contractors' control, such as shortages of materials or skilled labor, unforeseen engineering, environmental and/or geological problems, work stoppages, weather interference, unanticipated cost increases and unavailability of construction materials or equipment. Construction, equipment or staffing problems or difficulties in obtaining any of the requisite materials, licenses, permits, allocations and authorizations from governmental or regulatory authorities could increase the total cost, delay, jeopardize, prevent the construction or opening of our projects, or otherwise affect the design and features. In addition, the number of ongoing projects and their locations throughout the world present unique challenges and risks to our management structure. If our management is unable to successfully manage our worldwide construction projects, it could have an adverse effect on our financial condition, results of operations or cash flows.

We have not entered into a fixed-price or guaranteed maximum price contract with a single construction manager or general contractor for the construction of our projects. As a result, we rely heavily on our in-house development and construction team to manage construction costs and coordinate the work of the various trade contractors. The lack of any fixed-price contract with a construction manager or general contractor will put more of the risk of cost-overruns on us. If we are unable to manage costs or we are unable to raise additional capital required, we may not be able to open or complete these projects, which may have an adverse impact on our business and prospects for growth.

The anticipated costs and completion dates for our projects are based on budgets, designs, development and construction documents and schedule estimates that we have prepared with the assistance of architects and other construction development consultants and that are subject to change as the design, development and construction documents are finalized and as actual construction work is performed. A failure to complete our projects on budget or on schedule may adversely effect our financial condition, results of operations or cash flows. Due to the suspension of certain of our development projects, the estimated costs to complete and open these projects is currently not determinable and therefore may have an adverse effect on our financial condition, results of operations or cash flows. See also "— Risks Associated with Our International Operations — We are required to build and open our developments on parcel 3 of the Cotai Strip by August 2011. Unless we meet this deadline or obtain an extension, we may lose our right to continue to operate The Venetian Macao, Four Seasons Macao and any other facilities developed under the land concession."

The failure to obtain the necessary financing, or satisfy these funding conditions, could adversely effect our ability to construct our development projects.

Because we are currently dependent upon our properties in two markets for all of our cash flow, we will be subject to greater risks than a gaming company with more operating properties or that operates in more markets.

We currently do not have material operations other than our Las Vegas and Macao properties. As a result, we will be entirely dependent upon these properties for all of our cash flow until we complete the development of our Marina Bay Sands, Sands Bethlehem and remaining Cotai Strip projects.

Given that our operations are currently conducted at properties in Las Vegas and Macao and that a large portion of our planned future development is in Macao and Singapore, we will be subject to greater degrees of risk than a

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gaming company with more operating properties or that operates in more markets. The risks to which we will have a greater degree of exposure include the following:

- local economic and competitive conditions;
- inaccessibility due to inclement weather, road construction or closure of primary access routes;
- decline in air passenger traffic due to higher ticket costs or fears concerning air travel;
- changes in local and state governmental laws and regulations, including gaming laws and regulations;
- natural and other disasters, including the risk of typhoons in the South China region or outbreaks of infectious diseases;
- an increase in the cost of electrical power for our Las Vegas properties as a result of, among other things, power shortages in California or other western states with which Nevada shares a single regional power grid;
- changes in the availability of water; and
- a decline in the number of visitors to Las Vegas or Macao.

Our substantial debt could impair our financial condition, results of operations or cash flows. We will need to incur additional debt to finance our planned construction projects.

We are highly leveraged and have substantial debt service obligations. As of December 31, 2008, we had approximately \$10.47 billion of long-term debt outstanding. This substantial indebtedness could have important consequences to us. For example, it could:

- make it more difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions;
- impair our ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisitions or general corporate purposes;
- require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available for our operations and development projects;
- limit our flexibility in planning for, or reacting to, changes in the business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- subject us to higher interest expense in the event of increases in interest rates as a significant portion of our debt is and will continue to be at variable rates of interest.

We expect that all of our current projects will be funded with existing cash balances, cash flows from operations and additional borrowings from our existing credit facilities, with the exception of those projects currently suspended. We cannot assure you that we will obtain all the financing required for the construction and opening of our suspended projects.

The terms of our debt instruments may restrict our current and future operations, particularly our ability to finance additional growth, respond to changes or take some actions that may otherwise be in our best interests.

Our current debt instruments contain, and any future debt instruments likely will contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to:

- incur additional debt, including providing guarantees or credit support;
- incur liens securing indebtedness or other obligations;

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- dispose of assets;
- make certain acquisitions;
- pay dividends or make distributions and make other restricted payments, such as purchasing equity interests, repurchasing junior indebtedness or making investments in third parties;
- enter into sale and leaseback transactions;
- engage in any new businesses;
- issue preferred stock; and
- enter into transactions with our stockholders and our affiliates.

In addition, our U.S., Macao and Singapore credit agreements contain various financial covenants. See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 1 — Organization and Business of Company — Development Financing Strategy" and "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 8 — Long-Term Debt" for further description of these covenants and the potential impact of noncompliance.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

Although we have all-risk property insurance for our operating properties covering damage caused by a casualty loss (such as fire, natural disasters or terrorism), each policy has certain exclusions. In addition, our property insurance coverage is in an amount that may be significantly less than the expected replacement cost of rebuilding the facilities if there was a total loss. Our level of insurance coverage also may not be adequate to cover all losses in the event of a major casualty. In addition, certain casualty events, such as labor strikes, nuclear events, loss of income due to cancellation of room reservations or conventions due to fear of terrorism, deterioration or corrosion, insect or animal damage and pollution, might not be covered at all under our policies. Therefore, certain acts could expose us to substantial uninsured losses.

We also have builder's risk insurance for many of our construction projects in Las Vegas, Pennsylvania, Macao and Singapore. Builder's risk insurance provides coverage for projects during their construction for damage caused by a casualty loss. In general, our builder's risk coverage is subject to the same exclusions, risks and deficiencies as those described above for our all-risk property coverage. Our level of builder's risk insurance coverage may not be adequate to cover all losses in the event of a major casualty.

In addition, although we currently have insurance coverage for occurrences of terrorist acts with respect to our properties and for certain losses that could result from these acts, our terrorism coverage is subject to the same risks and deficiencies as those described above for our all-risk property coverage. The lack of sufficient insurance for these types of acts could expose us to substantial losses in the event that any damages occur, directly or indirectly, as a result of terrorist attacks or otherwise, which could have a significant negative impact on our operations.

In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption as a result of these events or be subject to claims by third parties injured or harmed. While we carry business interruption insurance and general liability insurance, this insurance may not be adequate to cover all losses in any such event.

We renew our insurance policies (other than our builder's risk insurance) on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, it is possible that regional political tensions, homeland security concerns, other catastrophic events or any change in government legislation governing insurance coverage for acts of terrorism could materially adversely effect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits), additional exclusions from coverage or higher deductibles. Among other potential future adverse changes, in the future we may elect to not, or may not be able to, obtain any coverage for losses due to acts of terrorism.

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Our debt instruments and other material agreements require us to maintain a certain minimum level of insurance. Failure to satisfy these requirements could result in an event of default under these debt instruments or material agreements.

We depend on the continued services of key managers and employees. If we do not retain our key personnel or attract and retain other highly skilled employees or if our senior managers cannot work together effectively, our business will suffer.

Our ability to maintain our competitive position is dependent to a large degree on the services of our senior management team, including Sheldon G. Adelson and our other executive officers. As described in "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Management Developments", our board of directors has instituted additional corporate policies and procedures to address governance concerns raised by senior management. The success of our business depends on the continued cooperation among members of our management team. Mr. Adelson, William P. Weidner, Bradley H. Stone, Robert G. Goldstein, Kenneth J. Kay and J. Alberto Gonzalez-Pita have each entered into employment agreements; however, we cannot assure you that any of our executive officers will remain with us. These agreements are currently scheduled to expire in December 2009 for Messrs. Adelson, Weidner, Stone and Goldstein and in December 2011 for Messrs. Kay and Gonzalez-Pita. We currently do not have a life insurance policy on any of the members of the senior management team. The death or loss of the services of any of our senior managers or the inability to attract and retain additional senior management personnel could have a material adverse effect on our business.

We are controlled by a principal stockholder whose interest in our business may be different than yours.

Mr. Adelson, family members and trusts for the benefit of Mr. Adelson and/or his family members beneficially own (excluding unexercised warrants to purchase 87.5 million shares of our common stock) approximately 52% of our outstanding common stock as of December 31, 2008. Accordingly, Mr. Adelson exercises significant influence over our business policies and affairs, including the composition of our Board of Directors and any action requiring the approval of our stockholders, including the adoption of amendments to our articles of incorporation and the approval of a merger or sale of substantially all of our assets. The concentration of ownership may also delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of Mr. Adelson. Because Mr. Adelson and trusts for the benefit of Mr. Adelson and/or his family members own more than 50% of the voting power of our company, we are considered a controlled company under the NYSE listing standards. As such, the NYSE corporate governance rules requiring that a majority of our Board of Directors and our entire compensation committee be independent do not apply to us. As a result, the ability of our independent directors to influence our business policies and affairs may be reduced. The interests of Mr. Adelson may conflict with your interests.

We are a parent company and our primary source of cash is and will be distributions from our subsidiaries.

We are a parent company with limited business operations of our own. Our main asset is the capital stock of our subsidiaries. We conduct most of our business operations through our direct and indirect subsidiaries. Accordingly, our primary sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries that are derived from the earnings and cash flow generated by our operating properties. Our subsidiaries might not generate sufficient earnings and cash flow to pay dividends or distributions in the future. Our subsidiaries' payments to us will be contingent upon their earnings and upon other business considerations. In addition, our subsidiaries' debt instruments and other agreements limit or prohibit certain payments of dividends or other distributions to us. We expect that future debt instruments for the financing of our other developments, including our Cotai Strip developments, will contain similar restrictions.

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Our business is sensitive to the willingness of our customers to travel. Acts of terrorism, regional political events and developments in the conflicts in certain countries could cause severe disruptions in air travel that reduce the number of visitors to our facilities, resulting in a material adverse effect on our financial condition, results of operations or cash flows.

We are dependent on the willingness of our customers to travel. A substantial number of our customers for The Venetian Las Vegas and The Palazzo use air travel to come to Las Vegas. On September 11, 2001, acts of terrorism occurred in New York City, Pennsylvania and Washington, D.C. As a result of these terrorist acts, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to Las Vegas, including our properties. Regional conflicts could have a similar effect on domestic and international travel. Most of our customers travel to reach our Las Vegas and Macao properties. Only a small amount of our business is generated by local residents. Management cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, outbreak of hostilities or escalation of war would adversely effect our financial condition, results of operations or cash flows.

Risks Associated with Our U.S. Operations

We face significant competition in Las Vegas, which could materially adversely effect our financial condition, results of operations or cash flows. Some of our competitors have substantial resources and access to capital, and several of them are expanding or renovating their facilities. In addition, any significant downturn in the trade show and convention business could significantly and adversely affect our mid-week occupancy rates and business.

The hotel, resort and casino businesses in Las Vegas are highly competitive. We also compete, to some extent, with other hotel/casino facilities in Nevada and in Atlantic City, as well as hotel/casinos and other resort facilities and vacation destinations elsewhere in the United States and around the world. Many of our competitors are subsidiaries or divisions of large public companies and have substantial financial and other resources.

In addition, various competitors on the Las Vegas Strip are expanding and renovating their existing facilities. If demand for hotel rooms does not keep up with the increase in the number of hotel rooms, competitive pressures may cause reductions in average room rates.

We also compete with legalized gaming from casinos located on Native American tribal lands, including those located in California. While the competitive impact on our operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same region as our Las Vegas Operating Properties could have an adverse effect on our results of operations.

In addition, certain states have legalized, and others may legalize, casino gaming in specific areas, including metropolitan areas from which we traditionally attract customers. A number of states have permitted or are considering permitting gaming at "racinos," on Native American reservations and through expansion of state lotteries. The current global trend toward liberalization of gaming restrictions and resulting proliferation of gaming venues could result in a decrease in the number of visitors to our Las Vegas facilities by attracting customers close to home and away from Las Vegas, which could adversely effect our financial condition, results of operations or cash flows.

The Sands Expo Center provides recurring demand for mid-week room nights for business travelers who attend meetings, trade shows and conventions in Las Vegas. The Sands Expo Center presently competes with other large convention centers, including convention centers in Las Vegas and other cities. Competition will be increasing for the Sands Expo Center as a result of planned additional convention and meeting facilities, as well as the enhancement or expansion of existing convention and meeting facilities, in Las Vegas. Also, other American cities are in the process of developing, or have announced plans to develop, convention centers and other meeting, trade and exhibition facilities. To the extent that these competitors are able to capture a substantially larger portion of the trade show and convention business, there could be a material adverse effect on our financial condition, results of operations or cash flows.

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The loss of our gaming license or our failure to comply with the extensive regulations that govern our operations could have an adverse effect on our financial condition, results of operations or cash flows.

Our gaming operations and the ownership of our securities are subject to extensive regulation by the Nevada Commission, the Nevada Board and the CCLGLB. The Nevada Gaming Authorities have broad authority with respect to licensing and registration of our business entities and individuals investing in or otherwise involved with us.

Although we currently are registered with, and LVSLLC and VCR currently hold gaming licenses issued by, the Nevada Gaming Authorities, these authorities may, among other things, revoke the gaming license of any corporate entity or the registration of a registered corporation or any entity registered as a holding company of a corporate licensee for violations of gaming regulations.

In addition, the Nevada Gaming Authorities may, under certain conditions, revoke the license or finding of suitability of any officer, director, controlling person, stockholder, noteholder or key employee of a licensed or registered entity. If our gaming licenses were revoked for any reason, the Nevada Gaming Authorities could require the closing of the casino, which would have a material adverse effect on our business. In addition, compliance costs associated with gaming laws, regulations or licenses are significant. Any change in the laws, regulations or licenses applicable to our business or gaming licenses could require us to make substantial expenditures or could otherwise have a material adverse effect on our financial condition, results of operations or cash flows.

For a more complete description of the gaming regulatory requirements affecting our business, see "Item 1 — Business — Regulation and Licensing."

Certain beneficial owners of our voting securities may be required to file an application with, and be investigated by, the Nevada Gaming Authorities, and the Nevada Commission may restrict the ability of a beneficial owner to receive any benefit from our voting securities and may require the disposition of shares of our voting securities, if a beneficial owner is found to be unsuitable.

Any person who acquires beneficial ownership of more than 10% of our voting securities will be required to apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails a written notice requiring the filing. Under certain circumstances, an "institutional investor" as defined under the regulations of the Nevada Commission, which acquires beneficial ownership of more than 10%, but not more than 15%, of our voting securities (subject to certain additional holdings as a result of certain debt restructurings or stock repurchase programs under the Nevada Act), may apply to the Nevada Commission for a waiver of such finding of suitability requirement if the institutional investor holds our voting securities only for investment purposes. In addition, any beneficial owner of our voting securities, regardless of the number of shares beneficially owned, may be required at the discretion of the Nevada Commission to file an application for a finding of suitability as such. In either case, a finding of suitability is comparable to licensing and the applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting the investigation.

Any person who fails or refuses to apply for a finding of suitability or a license within thirty days after being ordered to do so by the Nevada Gaming Authorities may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any stockholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of the common stock of a registered corporation beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offense. We are subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or a licensed subsidiary, we, or any of the licensed subsidiaries:

- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, purchasing them for cash at fair market value.

For a more complete description of the Nevada gaming regulatory requirements applicable to beneficial owners of our voting securities, see "Item 1 — Business — Regulation and Licensing — State of Nevada."

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Certain beneficial owners of our voting securities may be required to file a license application with, and be investigated by, the Pennsylvania Gaming Control Board, the Pennsylvania State Police and other agencies.

Any person who acquires beneficial ownership of 5% or more of our voting securities will be required to apply to the PaGCB for licensure, obtain licensure and remain licensed. Licensure requires, among other things, that the applicant establish by clear and convincing evidence the applicant's good character, honesty and integrity. Additionally, any trust that holds 5% or more of our voting securities is required to be licensed by the PaGCB and each individual who is a grantor, trustee or beneficiary of the trust is also required to be licensed by the PaGCB. Under certain circumstances and under the regulations of the PaGCB, an "institutional investor" as defined under the regulations of the PaGCB, which acquires beneficial ownership of 5% or more, but less than 10%, of our voting securities, may not be required to be licensed by the PaGCB provided the PaGCB grants a waiver of the licensure requirement. In addition, any beneficial owner of our voting securities, regardless of the number of shares beneficially owned, may be required at the discretion of the PaGCB to file an application for licensure.

Furthermore, a person or a group of persons acting in concert who acquire(s) more than 20% of our securities, with the exception of the ownership interest of a person at the time of original licensure when the license fee was paid, would trigger a "change in control" (as defined under applicable law). Such a change in control could require us to re-apply for licensure by the PaGCB and incur a \$50.0 million license fee.

In the event a security holder is required to be found qualified and is not found qualified, the security holder may be required by the PaGCB to divest of the interest at a price not exceeding the cost of the interest.

For a more complete description of the Pennsylvania gaming regulatory requirements applicable to beneficial owners of our voting securities, see "Item 1 — Business — Regulation and Licensing — Commonwealth of Pennsylvania."

If the operating results of The Shoppes at The Palazzo continue to be less than we initially expected, if GGP (or any future owner of The Shoppes at The Palazzo or The Grand Canal Shoppes) breaches any of its material agreements with us, or if we are unable to maintain an acceptable working relationship with GGP (or any future owner), there could be a material adverse effect on our financial condition, results of operations or cash flows.

We have entered into agreements with GGP under which, among other things:

- GGP remains obligated to make payments to us in connection with their purchase of The Shoppes at The Palazzo, which payments are based on projected and, ultimately, actual net operating income for The Shoppes at The Palazzo; and
- GGP has agreed to operate The Grand Canal Shoppes and The Shoppes at The Palazzo subject to, and in accordance with, the cooperation agreement.

If the local and national economic downturn continues, the net operating income for The Shoppes at The Palazzo may continue to be significantly worse than expected at the time the complex was sold to GGP, and therefore the amounts GGP is obligated to pay us may also be significantly less than expected. (Several tenants at The Shoppes at The Palazzo whose sales have been less than initially expected have already asked for temporary reductions in base rent, to which we and GGP have agreed.) Further, as a result of GGP's publicly disclosed liquidity and leverage problems, there can be no assurance that GGP will be able to pay us future amounts owed.

GGP has also announced that (i) the mortgage loan on The Shoppes at The Palazzo was due November 28, 2008, but GGP reported that it had obtained an extension from their lenders of the forbearance period until March 15, 2009, and was seeking a longer term extension and (ii) it is marketing the sale of The Shoppes at The Palazzo and The Grand Canal Shoppes. If GGP sells either of these properties, or it is unsuccessful at refinancing the loan against The Shoppes at The Palazzo or extending the maturity date thereof and its lenders foreclose on The Shoppes at The Palazzo, the above-described agreements could, as explained below, be adversely affected in ways that could have a material adverse effect on our financial condition, results of operations or cash flows if we are not able to maintain an acceptable working relationship with the new owner or owners.

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Each of the above-described agreements with GGP could be adversely affected in ways that could have a material adverse effect on our financial condition, results of operations or cash flows if we do not maintain an acceptable working relationship with GGP or its successors. For example:

- if the remaining unleased space at The Shoppes at The Palazzo are not rented, the purchase price we will ultimately be paid for The Shoppes at The Palazzo could be substantially reduced, and there would, at least for a certain period of time, be empty space within The Shoppes at The Palazzo; and
- the cooperation agreement that governs the relationships between The Shoppes at The Palazzo and The Palazzo and The Grand Canal Shoppes and The Venetian Las Vegas requires that the owners cooperate in various ways and take various joint actions, which will be more difficult to accomplish, especially in a cost-effective manner, if the parties do not have an acceptable working relationship.

There could be similar material adverse consequences to us if GGP breaches any of its agreements to us, such as its agreement under the cooperation agreement to operate The Grand Canal Shoppes consistent with the standards of first-class restaurant and retail complexes and the overall Venetian theme, and its various obligations as our landlord under the leases described above. Although our agreements with GGP provide us with various remedies in the event of any breaches by GGP and include various dispute resolution procedures and mechanisms, these remedies, procedures and mechanisms may be inadequate to prevent a material adverse effect on our financial condition, results of operations or cash flows if breaches by GGP occur or if we do not maintain an acceptable working relationship with GGP.

We extend credit to a large portion of our customers and we may not be able to collect gaming receivables from our credit players.

We conduct our gaming activities on a credit basis as well as a cash basis, which credit is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than patrons who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter.

Credit play at our Las Vegas properties is significant while at our Macao properties table games play is primarily cash play. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. For the year ended December 31, 2008, our table games drop at our Las Vegas properties was approximately 57.6% from credit-based guest wagering. These large receivables could have a significant impact on our results of operations if deemed uncollectible.

While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of Nevada, and Nevada judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

Risks Associated with Our International Operations

Conducting business in Macao and Singapore has certain political and economic risks which may effect the financial condition, results of operations or cash flows of our Asian operations.

We currently own and operate the Sands Macao, The Venetian Macao and the Four Seasons Macao. We plan to operate additional hotels, casinos and meeting space on the Cotai Strip in Macao. We also plan to own and operate the Marina Bay Sands in Singapore. Accordingly, our business development plans, financial condition, results of operations or cash flows may be materially and adversely effected by significant political, social and economic developments in Macao and Singapore, and by changes in policies of the governments or changes in laws and regulations or their interpretations. See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 1 — Organization and Business of Company — Development

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Financing Strategy.” Our operations in Macao are, and our operations in Singapore will be, also exposed to the risk of changes in laws and policies that govern operations of companies based in those countries. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. Further, the percentage of our gross gaming revenues that we must contribute annually to the Macao authorities is subject to change in 2010. These changes may have a material adverse effect on our financial condition, results of operations or cash flows.

As we expect a significant number of consumers to come to our Macao properties from mainland China, general economic conditions and policies in China could have a significant impact on our financial prospects. Any slowdown in economic growth or changes of China’s current restrictions on travel and currency movements could disrupt the number of visitors from mainland China to our casinos in Macao as well as the amounts they are willing to spend in the casinos. See “— The number of visitors to Macao, particularly visitors from mainland China, may decline or travel to Macao may be disrupted.”

Current Macao laws and regulations concerning gaming and gaming concessions are, for the most part, fairly recent and there is little precedent on the interpretation of these laws and regulations. We believe that our organizational structure and operations are in compliance in all material respects with all applicable laws and regulations of Macao. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue regulations, which differs from our interpretation and could have a material adverse effect on our financial condition, results of operations or cash flows. We expect Marina Bay Sands to be the first gaming facility to open in Singapore following the government’s adoption of gaming legislation in 2005. Accordingly, the laws and regulations relating to gaming and their interpretations are untested.

In addition, our activities in Macao are, and our operations in Singapore will be, subject to administrative review and approval by various government agencies. We cannot assure you that we will be able to obtain all necessary approvals, which may materially affect our long-term business strategy and operations. Macao and Singapore laws permit redress to the courts with respect to administrative actions; however, such redress is largely untested in relation to gaming issues.

We are constructing our remaining Cotai Strip projects on land for which we have not yet been granted concessions. If we do not obtain land concessions, we could forfeit all or a substantial part of our investment in these sites and would not be able to build or operate the planned facilities on these sites.

Land concessions in Macao generally have terms of 25 years, with automatic extensions at our option of 10 years thereafter in accordance with Macao law and there are common rates based on land use generally applied to determine the cost of these land concessions. We have not yet obtained land concessions from the Macao government for parcels 5, 6, 7 and 8 on the Cotai Strip. We are currently in the process of negotiating with the Macao government to obtain the land concession for parcels 5 and 6, and will subsequently negotiate the land concession for parcels 7 and 8. If we do not obtain a land concession for parcels 5, 6, 7 and/or 8, we will not be able to open and operate the planned projects on these parcels and we could forfeit all or a substantial part of our \$1.77 billion in capitalized construction costs related to our developments on parcels 5, 6, 7 and 8 as of December 31, 2008.

We are required to build and open our developments on parcel 3 of the Cotai Strip by August 2011. Unless we meet this deadline or obtain an extension, we may lose our right to continue to operate The Venetian Macao, Four Seasons Macao and any other facilities developed under the land concession.

The land concession we received from the Macao government covers parcels 1, 2 and 3, including the sites on which The Venetian Macao (parcel 1) and Four Seasons Macao (parcel 2) are located. Under the terms of the concession, we are required to complete development of parcel 3 by August 2011. We have commenced pre-construction on parcel 3 and intend to commence construction after necessary government approvals are obtained, regional and global economic conditions improve, future demand warrants it and additional financing is obtained. As a result, there is a significant risk that by the time we are able to commence construction, we will not be able to complete it by the deadline. See “— Risks Related to Our Business — Recent disruptions in the financial markets could adversely affect our ability to raise additional financing. If we are unable to raise additional capital in the near

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term, we would need to consider suspending additional portions, if not all, of our remaining global development projects. Should general economic conditions not improve, if we are unable to obtain sufficient funding 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.” “— Risks Related to Our Business — There are significant risks associated with our planned construction projects, which could adversely affect our financial condition, results of operations or cash flows from these planned facilities” and “— Conducting business in Macao and Singapore has certain political and economic risks which may effect the financial condition, results of operations or cash flows of our Asian Operations.” Although we believe that we will be able to obtain an extension, if we are not able to complete the development of parcel 3 by the deadline or the portion of the land concession related to parcel 3 is not separated from the portions related to parcels 1 and 2, the Macao government has the right to unilaterally terminate our land concession for parcels 1, 2 and 3 without compensation to us. The loss of our land concession would prohibit us from conducting gaming operations at The Venetian Macao and Four Seasons Macao, which could have a material adverse effect on our financial condition, results of operations or cash flows.

Our revised development plan may give certain of our hotel managers for our Cotai Strip developments the right to terminate their agreements with us.

We have entered into management agreements with Starwood and Shangri-La to manage hotels and serviced luxury apartment hotel units located on our Cotai Strip parcels 5 and 6. Under our revised development plan, construction of these hotels and serviced luxury apartment hotel units has been suspended until project-level financing is obtained and conditions in the capital markets and general economic conditions improve. Our management agreements with Starwood and Shangri-La impose certain construction and opening obligations and deadlines on us, and the delays and potential delays described above create a significant risk that we will fail to meet some or all of these obligations and deadlines. We are currently negotiating a standstill agreement with Starwood, which we expect to be finalized in the first quarter of 2009. If negotiations are unsuccessful or we do not obtain a similar agreement with Shangri-La, Starwood and Shangri-La would have the right to terminate their agreements with us, which would result in our having to find new managers and brands for the above-described projects, and which could have a material adverse effect on our financial condition, results of operations or cash flows.

The Macao government can terminate our subconcession under certain circumstances without compensation to us, which would have a material adverse effect on our financial condition, results of operations or cash flows.

The Macao government has the right, after consultation with Galaxy, to unilaterally terminate our subconcession in the event of VML's serious non-compliance with its basic obligations under the subconcession and applicable Macao laws. Upon termination of our subconcession, our casinos and gaming-related equipment would be automatically transferred to the Macao government without compensation to us and we would cease to generate any revenues from these operations. The loss of our subconcession would prohibit us from conducting gaming operations in Macao, which could have a material adverse effect on our financial condition, results of operations or cash flows.

We will stop generating any revenues from our Macao gaming operations if we cannot secure an extension of our subconcession in 2022 or if the Macao government exercises its redemption right.

Our subconcession agreement expires on June 26, 2022. Unless our subconcession is extended, on that date, all of our casinos and gaming-related equipment will be automatically transferred to the Macao government without compensation to us and we will cease to generate any revenues from these operations. Beginning on December 26, 2017, the Macao government may redeem the subconcession agreement by providing us at least one year prior notice. In the event the Macao government exercises this redemption right, we are entitled to fair compensation or indemnity. The amount of such compensation or indemnity will be determined based on the amount of revenue generated during the tax year prior to the redemption. We cannot assure you that we will be able to renew or extend our subconcession agreement on terms favorable to us or at all. We also cannot assure you that if our subconcession is redeemed, the compensation paid will be adequate to compensate us for the loss of future revenues.

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The number of visitors to Macao, particularly visitors from mainland China, may decline or travel to Macao may be disrupted.

Our VIP and mass market gaming patrons typically come from nearby destinations in Asia, including mainland China, Hong Kong, South Korea and Japan. Increasingly, a significant number of gaming patrons come to our casinos from mainland China.

The large investments that we and our competitors are making in the construction of new hotels and casinos, are based, in part, on projections regarding the number of visitors, and in particular, visitors from mainland China. As a result, general economic conditions and policies in China could have a significant impact on our financial prospects. Any slowdown in economic growth or changes of China's current restrictions on travel and currency movements could disrupt the number of visitors from mainland China to our casinos in Macao as well as the amounts they are willing to spend in the casinos.

In early October 2008, news media reported that certain additional proposed restrictions were imposed on exit visa applicants for travel to Macao by Chinese authorities. Under the measures, residents of mainland China are restricted to making only one visit every two months instead of one visit per month. In addition, residents of mainland China visiting Hong Kong may no longer visit Macao on the same visa, but instead must obtain a separate visa for any visit to Macao. These developments have, and any future policy developments that may be implemented may have, the effect of reducing the number of visitors to Macao from mainland China, which could adversely impact tourism and the gaming industry in Macao.

Our Macao operations face intense competition, which could have a material adverse effect on our financial condition, results of operations or cash flows.

The hotel, resort and casino businesses are highly competitive. Our Macao operations currently compete with numerous other casinos located in Macao. In addition, we expect competition to increase in the near future from local and foreign casino operators. Our Macao operations will also compete to some extent with casinos located elsewhere in Asia, such as Malaysia's Genting Highlands, as well as gaming venues in Australia, New Zealand and elsewhere in the world, including Las Vegas. In addition, certain countries have legalized, and others may in the future legalize, casino gaming, including Hong Kong, Japan, Taiwan and Thailand. The proliferation of gaming venues in Southeast Asia could significantly and adversely effect our financial condition, results of operations or cash flows.

The Macao and Singapore governments could grant additional rights to conduct gaming in the future, which could have a material adverse effect on our financial condition, results of operations or cash flows.

We hold a subconcession under one of only three gaming concessions authorized by the Macao government to operate casinos in Macao. The Macao government permits existing concessionaires to grant subconcessions; however, the Macao government has undertaken contractually not to grant additional gaming concessions until April 1, 2009. If the Macao government were to allow additional competitors to operate in Macao through the grant of additional concessions or subconcessions, we would face additional competition, which could have a material adverse effect on our financial condition, results of operations or cash flows.

We hold one of two licenses granted by the Singapore government to develop an integrated resort, including a casino. Under the Exclusivity Period, which began on March 1, 2007, the Singapore government will not license another casino for at least ten years. If the Singapore government were to license additional casinos, we would face additional competition which could have a material adverse effect on our financial condition, results of operations or cash flows.

We may not be able to attract and retain professional staff necessary for our existing and future properties in Macao and our operations in Singapore.

Our success depends in large part upon our ability to attract, retain, train, manage and motivate skilled employees. In addition, the Macao government requires us to only hire Macao residents as dealers in our casinos.

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There is significant competition in Macao for employees with the skills required to perform the services we offer and competition for these individuals is likely to increase as we open our remaining Cotai Strip developments and as other competitors expand their operations. We expect competition in Singapore for employees with the skills we require as we develop and open the Marina Bay Sands. There can be no assurance that a sufficient number of skilled employees will continue to be available, or that we will be successful in training, retaining and motivating current or future employees. If we are unable to attract, retain and train skilled employees, our ability to adequately manage and staff our existing and planned casino and resort properties in Macao and Singapore could be impaired, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We are dependent upon gaming junket operators for a significant portion of our gaming revenues in Macao.

Junket operators, who promote gaming and draw high-roller customers to casinos, are responsible for a significant portion of our gaming revenues in Macao. With the rise in gaming in Macao, the competition for relationships with junket operators has increased. While we are undertaking initiatives to strengthen our relationships with our current junket operators, there can be no assurance that we will be able to maintain, or grow, our relationships with junket operators. If we are unable to maintain or grow our relationships with junket operators, our ability to grow our gaming revenues will be hampered and we may seek alternative ways to develop relationships with high-roller customers.

In addition, the quality of junket operators is important to our reputation and our ability to continue to operate in compliance with our gaming licenses. While we strive for excellence in our associations with junket operators, we cannot assure you that the junket operators with whom we are associated will meet the high standards we insist upon. If a junket operator falls below our standards, we may suffer reputational harm, as well as worsening relationships with, and possibly sanctions from, gaming regulators with authority over our operations.

Our business could be adversely affected by the limitations of the pataca exchange markets and restrictions on the export of the renminbi.

Our revenues in Macao are denominated in patacas, the legal currency of Macao, and Hong Kong dollars. Although currently permitted, we cannot assure you that patacas will continue to be freely exchangeable into U.S. dollars. Also, because the currency market for patacas is relatively small and undeveloped, our ability to convert large amounts of patacas into U.S. dollars over a relatively short period may be limited. As a result, we may experience difficulty in converting patacas into U.S. dollars.

We are currently prohibited from accepting wagers in renminbi, the legal currency of China. There are currently restrictions on the export of the renminbi outside of mainland China, including to Macao. Restrictions on the export of the renminbi may impede the flow of gaming customers from mainland China to Macao, inhibit the growth of gaming in Macao and negatively impact our gaming operations.

On July 21, 2005, the People's Bank of China announced that the renminbi will no longer be pegged to the U.S. dollar, but will be allowed to float in a band (and, to a limited extent, increase in value) against a basket of foreign currencies. The Macao pataca is pegged to the Hong Kong dollar. Certain Asian countries have publicly asserted their desire to eliminate the peg of the Hong Kong dollar to the U.S. dollar. As a result, we cannot assure you that the Hong Kong dollar and the Macao pataca will continue to be pegged to the U.S. dollar or that the current peg rate for these currencies will remain at the same level. The floating of the renminbi and possible changes to the peg of the Hong Kong dollar may result in severe fluctuations in the exchange rate for these currencies. Any change in such exchange rates could have a material adverse effect on our operations and on our ability to make payments on certain of our debt instruments. We do not currently hedge for foreign currency risk.

Certain Nevada gaming laws apply to our planned gaming activities and associations in other jurisdictions where we operate or plan to operate.

Certain Nevada gaming laws also apply to our gaming activities and associations in jurisdictions outside the State of Nevada. We are required to comply with certain reporting requirements concerning our proposed gaming

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activities and associations occurring outside the State of Nevada, including Macao, Singapore and other jurisdictions. We will also be subject to disciplinary action by the Nevada Commission if we:

- knowingly violate any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- fail to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engage in any activity or enter into any association that is unsuitable for us because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to the gaming policies of Nevada;
- engage in any activity or enter into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or
- employ, contract with or associate with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of personal unsuitability, or who has been found guilty of cheating at gambling.

In addition, if the Nevada Board determines that one of our actual or intended activities or associations in a foreign gaming operation may violate one or more of the foregoing, we can be required to file an application with the Nevada Commission for a finding of suitability of such activity or association. If the Nevada Commission finds that the activity or association in the foreign gaming operation is unsuitable or prohibited, we will either be required to terminate the activity or association, or will be prohibited from undertaking the activity or association. Consequently, should the Nevada Commission find that our gaming activities or associations in Macao or certain other jurisdictions where we operate are unsuitable, we may be prohibited from undertaking our planned gaming activities or associations in those jurisdictions.

The Macao gaming authorities exercise similar powers for purposes of assessing suitability in relation to our activities in jurisdictions outside of Macao.

We may not be able to monetize some of our real estate assets.

Part of our business strategy in Macao relies upon our ability to profitably operate, sell and/or grant rights of use over certain of our real estate assets once developed, including retail malls and apartment hotels, and to use the proceeds of these operations and sales to refinance, or repay, in part our construction loans for these assets, as well as to fund existing and future development both in Macao and elsewhere. Our ability to monetize these assets will be subject to market conditions, applicable legislation, the receipt of necessary government approvals and other factors. If we are unable to profitably operate and/or monetize these real estate assets, we will have to seek alternative sources of capital to refinance in part our construction loans and for other investment capital. These alternative sources of capital may not be available on commercially reasonable terms or at all.

VML may have financial and other obligations to foreign workers managed by its contractors under government labor quotas.

The Macao government has granted VML a quota to permit it to hire foreign workers. VML has effectively assigned the management of this quota to its contractors for the construction of The Venetian Macao, Four Seasons Macao and other Cotai Strip projects. VML, however, remains ultimately liable for all employer obligations relating to these employees, including for payment of wages and taxes and compliance with labor and workers' compensation laws. VML requires each contractor to whom it has assigned the management of part of its labor quota to indemnify VML for any costs or liabilities VML incurs as a result of such contractor's failure to fulfill employer obligations. VML's agreements with its contractors also contain provisions that permit it to retain some payments for up to one year after the contractors complete work on the projects. We cannot assure you that VML's contractors will fulfill their obligations to employees hired under the labor quotas or to VML under the indemnification agreements, or that the amount of any indemnification will be sufficient to pay for any obligations VML may owe to employees managed by contractors under VML's quotas. Until we make final payments to our contractors, we have offset rights to collect

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amounts they may owe us, including amounts owed under the indemnities relating to employer obligations. After we have made the final payments, it may be more difficult for us to enforce any unpaid indemnity obligations.

The transportation infrastructure in Macao may need to be expanded to meet increased visitation in Macao.

Macao is in the process of expanding its transportation infrastructure to service the increased number of visitors to Macao. If the planned expansions of transportation facilities to and from Macao are delayed or not completed, and Macao's transportation infrastructure is insufficient to meet the demands of an increased volume of visitors to Macao, the desirability of Macao as a gaming and tourist destination, as well as the results of operations of our Macao properties, could be negatively impacted.

We operate a passenger ferry service between Macao and Hong Kong under a concession granted by the Macao government. The loss of the ferry concession could have a material adverse effect on our financial condition, results of operations or cash flows.

We operate a passenger ferry service between the Cotai Strip in Macao and Hong Kong under a concession granted by the Macao government. Another transportation company claims that the grant of the ferry service was improper and has sued the Macao government seeking a review of the government's decision. See "Item 3 — Legal Proceedings — Litigation Relating to Our Macao Operations." Our inability to operate our ferry service could result in a significant loss of visitors to our Cotai Strip properties, including The Venetian Macao, and could have a material adverse effect on our financial condition, results of operations or cash flows.

We are currently not required to pay corporate income taxes on our casino gaming operations in Macao. This tax exemption expires at the end of 2013.

We have had the benefit of a corporate tax exemption in Macao, which exempts us from paying corporate income tax on profits generated by the operation of casino games. We will continue to benefit from this tax exemption through the end of 2013. We cannot assure you that this tax exemption will be extended beyond the expiration date and we do not expect this tax exemption to apply to our non-gaming activities.

Macao is susceptible to severe typhoons that may disrupt operations.

Macao is susceptible to severe typhoons. Macao consists of a peninsula and two islands off the coast of mainland China. On some occasions, typhoons have caused a considerable amount of damage to Macao's infrastructure and economy. In the event of a major typhoon or other natural disaster in Macao, our business may be severely disrupted and our results of operations could be adversely effected. Although we have insurance coverage with respect to these events, we cannot assure you that our coverage will be sufficient to fully indemnify us against all direct and indirect costs, including loss of business, that could result from substantial damage to, or partial or complete destruction of, our Macao properties or other damage to the infrastructure or economy of Macao.

Our Singapore concession can be terminated under certain circumstances without compensation to us, which would have a material adverse effect on our financial condition, results of operations or cash flows.

The Development Agreement between MBS and the STB contains events of default which could permit the STB to terminate the agreement without compensation to us. If the Development Agreement is terminated, we could lose our right to open and operate the Marina Bay Sands and our investment in Marina Bay Sands could be lost.

For a more complete description of the Singapore gaming regulatory requirements applicable to beneficial owners of our voting securities, see "Item 1 — Business — Regulation and Licensing — Development Agreement with Singapore Tourism Board."

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An outbreak of highly infectious disease could adversely affect the number of visitors to our facilities and disrupt our operations, resulting in a material adverse effect on our financial condition, results of operations or cash flows.

In 2003, Taiwan, China, Hong Kong, Singapore and certain other regions experienced an outbreak of a highly contagious form of atypical pneumonia known as severe acute respiratory syndrome ("SARS"). As a result of the outbreak, there was a decrease in travel to and from, and economic activity in, affected regions, including Macao. In addition, there have been fears concerning the spread of an "avian flu" in Asia. Potential future outbreaks of SARS, avian flu or other highly infectious diseases may adversely affect the number of visitors to our operating properties and our other properties we are currently developing. Furthermore, an outbreak might disrupt our ability to adequately staff our business and could generally disrupt our operations. If any of our customers or employees is suspected of having contracted certain highly contagious diseases, we may be required to quarantine these customers or employees or the affected areas of our facilities and temporarily suspend part or all of our operations at affected facilities. Any new outbreak of such a highly infectious disease could have a material adverse effect on our financial condition, results of operations or cash flows.

ITEM 1B. — UNRESOLVED STAFF COMMENTS

None.

ITEM 2. — PROPERTIES

We own an approximately 63-acre parcel of land on which our Las Vegas Operating Properties are located and an approximately 19-acre parcel of land located to the east of the 63-acre parcel. We own these parcels of land in fee simple, subject to certain easements, encroachments and other non-monetary encumbrances. LVSLLC's senior secured credit facility is, subject to certain exceptions, collateralized by a first priority security interest (subject to permitted liens) in substantially all of LVSLLC's property.

We have received concessions from the Macao government to build on a six-acre land site for the Sands Macao and parcels 1, 2 and 3 on the Cotai Strip, including the sites on which The Venetian Macao (parcel 1) and Four Seasons Macao (parcel 2) are located. We do not own these land sites in Macao; however, the land concessions grant us exclusive use of the land. As specified in the land concessions, we are required to pay premiums, which are either payable over four years or are due upon the completion of the corresponding integrated resort, as well as annual rent for the term of the land concession, which may be revised every five years by the Macao government. In October 2008, the Macao government amended our land concession to separate the retail and hotel portions of the Four Seasons Macao parcel and allowed us to subdivide the parcel into four separate components, consisting of retail, hotel/casino, Four Seasons Apartments and parking areas. In consideration for the amendment, we paid an additional land premium of approximately \$17.8 million and will pay adjusted annual rent over the remaining term of the concession, which increased slightly due to the revised allocation of parcel use. See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 6 — Leasehold Interests in Land, Net" for more information on our payment obligation under these land concessions.

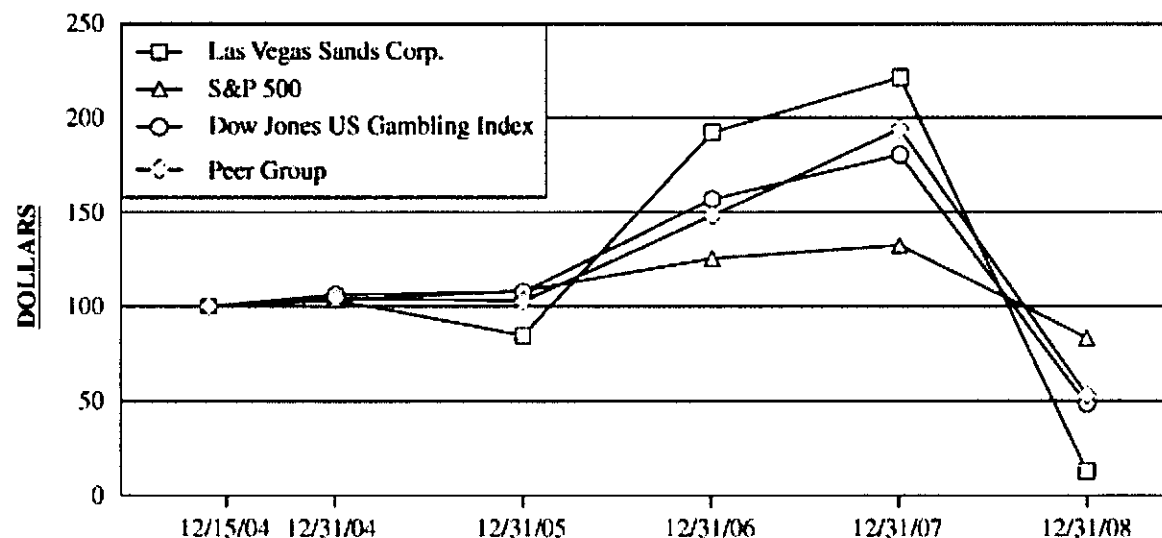
We do not yet have all the necessary Macao government approvals that we will need in order to develop our remaining Cotai Strip developments. Although, we have commenced construction or pre-construction for our Cotai Strip projects on parcels 5, 6, 7 and 8, we have not yet obtained a land concession for these parcels from the Macao government, which holds title to the land. Land concessions in Macao generally have terms of 25 years, with automatic extensions at our option of 10 years thereafter in accordance with Macao law and there are common rates based on land use generally applied to determine the cost of these land concessions. We are currently in the process of negotiating with the Macao government to obtain the land concession, which will require us to pay certain premiums and rent, for parcels 5 and 6, and we will subsequently negotiate the land concession for parcels 7 and 8. We believe we will be successful in obtaining the land concessions; however, in the event we are unable to obtain concessions for the land underlying parcels 5, 6, 7 and/or 8, we could lose all or a substantial part of our \$1.77 billion in capitalized costs related to our developments on parcels 5, 6, 7 and 8 as of December 31, 2008.

Under our land concession for parcels 1, 2 and 3, we are required to complete the development of parcel 3 by August 2011. We believe that if we are not able to complete the development of parcel 3 by the deadline, we will be

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Performance Graph

The following performance graph compares the performance of our common stock with the performance of the Standard & Poor's 500 Index, the Dow Jones US Gambling Index and a peer group of companies, during the period from the Company's initial public offering on December 15, 2004 through December 31, 2008. The selected peer group for 2008 was comprised of two gaming companies considered to be the Company's closest competitors: MGM MIRAGE and Wynn Resorts Limited. The selected peer group for 2007, 2006 and 2005 included these two companies as well as Harrah's Entertainment, Inc. In 2008, Harrah's Entertainment, Inc. ceased to trade as a public company. The selected peer group for 2004 included these three companies, as well as Caesars Entertainment, Inc. and Mandalay Resort Group. In 2005, Caesars Entertainment, Inc. was acquired by Harrah's Entertainment, Inc. and Mandalay Resort Group was acquired by MGM MIRAGE. Due to the decrease in companies within our peer group, we will replace our peer group with the Dow Jones US Gambling Index in future filings. The graph plots the changes in value of an initial \$100 investment over the indicated time period, assuming all dividends are reinvested. The stock price performance in this graph is not necessarily indicative of future stock price performance.



	Cumulative Total Return					
	12/15/04	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08
Las Vegas Sands Corp.	\$ 100.00	\$ 103.09	\$ 84.77	\$ 192.18	\$ 221.33	\$ 12.74
S&P 500	\$ 100.00	\$ 103.40	\$ 108.48	\$ 125.62	\$ 132.52	\$ 83.49
Dow Jones US Gambling Index	\$ 100.00	\$ 106.32	\$ 107.76	\$ 157.03	\$ 180.27	\$ 48.48
Peer Group	\$ 100.00	\$ 104.38	\$ 102.83	\$ 148.30	\$ 193.98	\$ 53.11

The performance graph should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Exchange Act of 1934, except to the extent the Company specifically incorporates the performance graph by reference therein.

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Liquidity and Capital Resources

Cash Flows — Summary

Our cash flows consisted of the following:

	Year Ended December 31,		
	2008	2007	2006
	(In thousands)		
Net cash provided by (used in) operations	\$ 127,786	\$ 365,457	\$ (196,720)
Investing cash flows:			
Capital expenditures	(3,789,008)	(3,793,703)	(1,925,291)
Change in restricted cash	218,044	556,276	(310,565)
Acquisition of gaming license included in other assets	—	(50,000)	—
Net cash used in investing activities	(3,570,964)	(3,287,427)	(2,235,856)
Financing cash flows:			
Proceeds from exercise of stock options	6,834	30,221	7,226
Proceeds from common stock issued, net of transaction costs	1,053,695	—	—
Proceeds from preferred stock and warrants issued to Principal Stockholder's family, net of transaction costs	523,720	—	—
Proceeds from preferred stock and warrants issued, net of transaction costs	503,625	—	—
Proceeds from convertible senior notes from Principal Stockholder's family	475,000	—	—
Proceeds from long term debt	4,616,201	5,135,076	2,619,995
Repayments of long-term debt	(1,725,908)	(1,775,801)	(132,746)
Proceeds from the sale of The Shoppes at The Palazzo	243,928	—	—
Other	(91,856)	(66,631)	(51,493)
Net cash provided by financing activities	5,605,239	3,322,865	2,442,982
Effect of exchange rate on cash	18,952	(11,811)	814
Net increase in cash and cash equivalents	\$ 2,181,013	\$ 389,084	\$ 11,220

Cash Flows — Operating Activities

Table games play at our Las Vegas properties is conducted on a cash and credit basis while table games play at our Macao properties is conducted primarily on a cash 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 provided by operating activities for the year ended December 31, 2008, was \$127.8 million, a decrease of \$237.7 million as compared with \$365.5 million for the year ended December 31, 2007. The main factors contributing to the decrease in operating cash flow are the decrease in our operating income for the year ended December 31, 2008, and a significant increase in our accounts receivable (due to the gaming activity at our Las Vegas Operations and an increase in our granting of casino credit at our Macao properties), offset by a decrease in leasehold interests in land payments during the year ended December 31, 2008.

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Cash Flows — Investing Activities

Capital expenditures for the year ended December 31, 2008, totaled \$3.79 billion, including \$2.0 billion for construction and development activities in Macao (primarily related to Four Seasons Macao and our other Cotai Strip developments); \$447.9 million for construction and development activities at The Palazzo and The Shoppes at The Palazzo; \$763.6 million for construction and development activities in Singapore; \$130.0 million on improvements and maintenance capital expenditures at The Venetian Las Vegas and Sands Expo Center in Las Vegas; \$307.5 million for the construction of Sands Bethlehem; and \$139.6 million for corporate and other activities, primarily for the construction of the St. Regis Residences.

Restricted cash decreased \$218.0 million due primarily to a \$276.2 million decrease in restricted cash balances in Singapore as we made construction payments related to Marina Bay Sands, offset by \$64.9 million in Macao related to proceeds from loan draws to fund construction costs related primarily to Four Seasons Macao and our other Cotai Strip developments.

Cash Flows — Financing Activities

For the year ended December 31, 2008, net cash flows provided from financing activities were \$5.61 billion. The net increase was primarily attributable to \$2.56 billion in net proceeds from the issuance of our common and preferred stock, warrants and Convertible Senior Notes, and net borrowings of \$1.74 billion under the U.S. senior secured credit facility, \$444.3 million under the Macao credit facility, \$404.0 million under the Singapore credit facilities, \$218.6 million under the ferry financing credit facility and \$243.9 million in proceeds received from the sale of The Shoppes at The Palazzo.

Development Financing Strategy

Through December 31, 2008, we have principally funded our development projects through borrowings under our U.S., Macao and Singapore bank credit facilities (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 8 — Long-Term Debt"), operating cash flows and proceeds from the disposition of non-core assets. We held unrestricted and restricted cash and cash equivalents of approximately \$3.04 billion and \$194.8 million, respectively, as of December 31, 2008.

Commencing September 30, 2008, the U.S. senior secured credit facility and FF&E financings require 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 decreases from 7.5x as of December 31, 2008, to 7.0x for the quarterly periods ending March 31 and June 30, 2009, and then to 6.5x for the quarterly periods ending September 30 and December 31, 2009. In Macao, our credit facility also requires us to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio decreases from 4.5x as of December 31, 2008, to 4.0x for the quarterly periods ending March 31 and June 30, 2009, and then to 3.5x for the quarterly periods ending September 30 and December 31, 2009. If we are unable to maintain compliance with the financial covenants under these credit facilities, we would be in default under the respective credit facilities. A default under our domestic credit facilities 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. A default under our Macao credit facilities would trigger a cross-default under our ferry financings. 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 pay or refinance any amounts that may become accelerated under such agreements, which could force us to restructure or alter our operations or debt obligations.

As our Las Vegas properties did not achieve the levels of Adjusted EBITDA necessary to maintain compliance with the maximum leverage ratio for the quarterly periods ended September 30 and December 31, 2008, we completed a private placement of \$475.0 million in Convertible Senior Notes in September 2008 and a \$2.1 billion common and preferred stock and warrants offering in November 2008 (see "Item 8 — Financial Statements and

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Supplementary Data — Notes to Consolidated Financial Statements — Note 8 — Long-Term Debt” and “Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Stockholders' Equity”, respectively). A portion of the proceeds from the convertible senior notes was used to exercise the EBITDA true-up provision (as defined below) for the quarterly period ended September 30, 2008, which, by itself, would not have been sufficient to maintain compliance with the maximum leverage ratio when applied to the quarterly periods ended September 30 and December 31, 2008. Accordingly, additional proceeds from the offerings were contributed to LVSLLC to reduce the net debt of the parties to the domestic credit facilities in order to maintain compliance with the maximum leverage ratio for the quarterly periods ended September 30 and December 31, 2008. As of December 31, 2008, our domestic leverage ratio was 6.2x, compared to the maximum leverage ratio of 7.5x. Adjusted EBITDA generated by our Macao operations was sufficient to maintain compliance with the respective maximum leverage ratio for the quarterly periods ended during 2008. As of December 31, 2008, our Macao leverage ratio was 4.0x, compared to the maximum leverage ratio of 4.5x.

In order to fund our revised development plan, as described in “— Note 1 — Organization and Business of Company — Development Projects,” and comply with the maximum leverage ratio covenants of our U.S. and Macao credit facilities for quarterly periods in 2009 and beyond, we will utilize cash on hand, cash flow from operations and available borrowings under our credit facilities. We will also need to execute on some, or a combination, of the following measures: (i) achieve increased levels of Adjusted EBITDA at our Las Vegas and Macao properties, primarily through aggressive cost-cutting measures; (ii) successfully complete the sale of certain non-core assets (e.g. Four Seasons Apartments or the malls at The Venetian Macao and Four Seasons Macao), a portion of the proceeds from which would be used to repay our debt; (iii) elect to contribute up to \$50 million and \$20 million of cash on hand to our Las Vegas and Macao 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 maximum leverage ratio (the “EBITDA true-up”)); or (iv) execute a debt reduction plan. If the aforementioned measures are not sufficient to fund our revised development plan and maintain compliance with our financial covenants, we may also need to execute on some, or a combination, of the following measures: (i) further decrease the rate of spending on our global development projects; (ii) obtain additional financing at our parent company level, the proceeds from which could be used to reduce or repay debt in Las Vegas and/or Macao; (iii) consider other asset sales; (iv) elect to delay payment of dividends on the Preferred Stock; or (v) seek waivers or amendments under our Las Vegas and Macao credit facilities; however, there can be no assurance that we will be able to obtain such waivers or amendments. Management believes that successful execution of some combination of the above measures will be sufficient for us to fund our commitments and maintain compliance with our financial covenants throughout 2009.

Exhibit C

Las Vegas Sands Corp. Reports First Quarter 2008 Results

Quarterly Net Revenue Increases 71.8% and Reaches \$1.08 Billion

Consolidated Adjusted Property EBITDAR Increases 34.4% to \$288.3 Million

LAS VEGAS, April 30 /PRNewswire-FirstCall/ -- Las Vegas Sands Corp. (NYSE: LVS), today reported financial results for the quarter ended March 31, 2008.

Company-Wide Operating Results

Net revenue for the first quarter of 2008 increased 71.8% to \$1.08 billion, compared to \$628.2 million in the first quarter of 2007. Consolidated adjusted property EBITDAR in the first quarter of 2008 was \$288.3 million, an increase of 34.4%, compared to \$214.4 million in the year-ago quarter. On a GAAP (Generally Accepted Accounting Principles) basis, operating income was \$96.6 million versus operating income of \$131.0 million in the first quarter of 2007. The decrease in operating income of \$34.4 million reflects increases in operating costs as we expand our infrastructure to execute our global growth plans, depreciation and amortization expense, and pre-opening expense related to our preparations for the opening of the Four Seasons Macao and other properties which will open in the future in Macao, Singapore, and the United States.

Adjusted net income (excluding loss on disposal of assets, pre-opening expense, development expense, and loss on early retirement of debt) was \$23.6 million, or adjusted earnings per diluted share of \$0.07, compared to \$114.6 million, or adjusted earnings per diluted share of \$0.32, in the first quarter of 2007. The decrease in adjusted net income of \$91.0 million was driven principally by the increased operating costs mentioned above and increases in net interest expense and depreciation and amortization expense. On a GAAP basis, net loss in the first quarter of 2008 was \$11.2 million, or \$0.03 per diluted share, compared to net income of \$90.9 million, or \$0.26 per diluted share, in the first quarter of 2007. The decrease in GAAP net income of \$102.1 million was principally driven by the increases in operating costs, depreciation and amortization expense, pre-opening expense, and net interest expense mentioned above.

First Quarter Highlights

William P. Weidner, president and COO stated, "While we remain pleased with our progress in the steady execution of our global growth strategy, our first quarter operating results reflect both an intensely competitive operating environment in Macao as well as a weaker economic environment here in the United States. In Asia, our efforts to transform Macao into Asia's premier business and leisure destination continue to move ahead. The strong and consistent visitation to the Cotai Strip's anchor property, The Venetian Macao, and the solid early performance of the property's hotel, retail, and group meeting businesses, reflect that we are continuing to deliver on the fundamental goal and commitment we share with the people of Macao -- the transformation of Macao into Asia's premier business and leisure destination. The recent announcements by the government of Macao regarding gaming regulation appear to be consistent with that vision and support our conviction that the execution of our Cotai Strip development strategy will deliver significant economic benefits to Macao and the entire region, as well as industry-leading returns to our shareholders. In Las Vegas, despite a more challenging economic environment, The Venetian delivered solid results, and we opened The Palazzo, completing our master plan of the largest integrated destination resort in the world. We have now set the stage for strong growth and industry-leading returns in the Las Vegas market for years to come."

Weidner continued, "Since opening eight months ago, we have now welcomed more than 14 million guests from around the region to Asia's first integrated destination resort, The Venetian Macao. Both business and leisure visitors have contributed to strong hotel rate and solid occupancy statistics, reflecting the appeal of our product offering and the significant interest from around the region in the world-class amenities of our integrated resort. Our corporate meeting and convention businesses, although hindered somewhat by a lack of transportation infrastructure, are enjoying significant amounts of repeat business. Our entertainment offerings have been well received throughout the region, driving significant visitation to Macao. Our mass gaming volumes continue to grow and are the largest of any single property in Macao today, reflecting the popularity and acceptance of our product offering to this important market segment. While our VIP gaming volumes were down sequentially due to the increasingly competitive environment that has developed in this market segment over the last few months, we have taken actions that we believe will enable us to grow both our share of the market and our cash flow generated from this segment of our business in the future. We remain confident that the world-class product offerings of The Venetian Macao, together with our continuing investments along the remainder of the Cotai Strip, will allow us to deliver industry-leading returns and superior financial performance.

"Our construction, design and development work on each of our other six sites on the Cotai Strip has continued to progress, with our second Cotai Strip property, the Four Seasons Macao, which is adjacent to The Venetian Macao, scheduled to open this summer.

"In Las Vegas, our properties performed well in a somewhat weaker economic environment, delivering solid gaming volumes

and REVPAR. After a soft opening last December 30th, The Palazzo has had a steady ramp of additional amenities added to its product offerings. Looking ahead, as its full complement of hotel suite, retail dining and entertainment amenities finish coming on-line, we expect this breathtaking 3,066-suite hotel, together with The Venetian and the Sands Expo and Convention Center, to provide an ideal platform for growth in Las Vegas in the years ahead," said Weidner.

Las Vegas First Quarter Operating Results

Adjusted property EBITDAR for our Las Vegas operations increased 9.3% to \$122.6 million in the first quarter of 2008, compared to \$112.1 million in the first quarter of 2007. On a GAAP basis, operating income for our Las Vegas operations decreased 36.4% to \$57.4 million, compared to \$90.3 million in the 2007 period. The increase in adjusted property EBITDAR was principally driven by the opening of The Palazzo. The decrease in operating income was driven principally by the increase in depreciation and amortization expense of \$31.4 million compared to the quarter one year ago, which is principally related to the opening of The Palazzo.

Las Vegas operations' table games drop was \$456.6 million in the first quarter of 2008 versus \$353.1 million during the first quarter of 2007, an increase of 29.3%. Slot machine handle (volume) increased 38.7% to \$816.2 million in the first quarter of 2008, compared to \$588.4 million during the first quarter of 2007. The increases in table games drop and slot handle were principally driven by the expansion of gaming capacity at The Palazzo. Table games win percentage (calculated before discounts) was 25.3% in the first quarter of 2008, compared to 29.1% in the first quarter of last year. This compares to our expected range of 20% to 22%. Slot win percentage (calculated before slot club cash incentives) was 6.0% in the first quarter of 2008, the same as in the first quarter last year. Casino revenues for Las Vegas operations were \$147.8 million in the first quarter of 2008, compared to \$119.6 million a year ago.

Las Vegas operations' hotel revenues increased 41.7% to \$136.2 million versus \$96.1 million in the first quarter of 2007. The increase in hotel revenues was principally due to the opening of The Palazzo.

The Venetian Las Vegas' average daily rate (ADR) was \$274, down slightly compared to \$276 in the first quarter of 2007. The Venetian's occupancy of available guestrooms decreased to 91.1% during the first quarter of 2008, down from 98.8% during the prior year period. Revenue per available room (REVPAR) at the Venetian decreased 8.4% to \$250 in the 2008 period, compared to \$273 in the first quarter of 2007. In its' first quarter of operation, The Palazzo's ADR was \$244, while occupancy of available guestrooms was 79.1%, generating REVPAR of \$193.

Food and beverage revenues for Las Vegas operations increased to \$55.9 million in the first quarter of 2008, compared to \$39.8 million in the 2007 period, an increase of 40.5%. Retail and other operating revenues were \$41.2 million in the quarter, compared to \$41.3 million in the first quarter last year.

"After a soft opening on December 30th, The Palazzo added amenities throughout the quarter, including the opening of The Shoppes at the Palazzo, featuring Barneys New York, which debuted in January, as well as more than a dozen restaurants, many featuring James Beard Award-winning chefs. As its full suite of features and amenities continue to ramp, including the Tony award-winning Broadway sensation Jersey Boys, which recently opened for previews and will formally take occupancy of its custom-built theatre in The Palazzo on Saturday May 3rd, we expect The Palazzo's operations to continue to build momentum throughout the year.

"The Palazzo, together with the comprehensively renovated Venetian Las Vegas and Sands Expo and Convention Center, now comprise the largest integrated resort and convention destination in the world, with approximately 7,100 all-suite rooms, 2.3 million square feet of meeting, convention and exhibition space, and world-class dining, retail, and entertainment amenities. We expect the significant back-of-house and other operating efficiencies that have been resident in our master plan for the combined complex since its inception to deliver industry-leading operating margins. We believe our integrated Las Vegas facilities will provide an excellent platform for profitable growth and industry-leading returns in the years ahead."

Sands Macao First Quarter Operating Results

At the Sands Macao, first quarter 2008 Rolling Chip volume decreased 18.2% to \$5.61 billion, compared to \$6.86 billion in the first quarter of 2007, while table games drop (the Non-Rolling Chip segment) was \$723.6 million in the first quarter of 2008, compared to \$1.04 billion in the first quarter of 2007. The Sands' Rolling Chip table games win percentage (calculated before discounts and commissions) was 2.54%, while Non-Rolling Chip table games win percentage came in at 20.1% in the first quarter of 2008. These results compare to our expected Rolling Chip table games win percentage (calculated before discounts and commissions) of 3.0% and Non-Rolling Chip table games win percentage of 18% to 20%. The Sands' slot handle (volume) for the first quarter of 2008 was \$253.5 million, representing a 14.7% decrease versus \$297.1 million in the first quarter of 2007.

First quarter casino revenues decreased 23.6% to \$264.4 million versus \$346.1 million in the 2007 period. The decreased revenues were principally driven by lower Rolling Chip volume, a lower table games win percentage on Rolling Chip play (2.54% in the 2008 quarter) compared to the same quarter last year (2.78% in the 2007 quarter), and lower Non-Rolling Chip table games drop. Principally as a result of the decreased casino revenues described above, the Sands Macao adjusted property EBITDAR decreased to \$65.6 million in the first quarter of 2008, compared to \$102.3 million in the first quarter of

2007. Operating income on a GAAP basis for the Sands Macao decreased to \$49.6 million for the first quarter of 2008, compared to \$90.6 million in last year's first quarter.

Weidner stated, "While the results of the Sands Macao clearly reflect the increasingly competitive environment on the Macao peninsula, we remain pleased with both the competitive resilience and the long-term market positioning of the Sands. The introduction of high-quality competitive product, including The Venetian Macao on the Cotai Strip, has been significant in the last year, but will slow dramatically from this point forward, particularly on the Macao Peninsula. In the face of this competition, the Sands continues to generate strong cash flow and market-leading cash-on-cash returns. While admittedly down year over year, both our VIP and mass volumes reflect healthy play, and our visitation statistics remain strong. Looking ahead, we expect to further reduce the cost structure at the Sands Macao as we allocate our human resources more efficiently across the larger asset and revenue base of The Venetian Macao, the Four Seasons Macao, and additional properties on the Cotai Strip. Our new 238-room hotel tower has been well received in the marketplace and has expanded the Sands' product offering to include nearly 300 suites. This luxurious suite inventory, together with additional meeting rooms, our 650-seat theatre, and our penthouse-floor gaming club, will enable the Sands Macao to offer a complete Macao peninsula product set, in the peninsula's most convenient location, for years to come."

Venetian Macao First Quarter Operating Results

In the property's second full quarter of operation, Rolling Chip volume at The Venetian Macao was \$8.71 billion, while Non-Rolling Chip table games drop was \$880.1 million. Casino revenues for the quarter were \$383.3 million.

The Non-Rolling Chip table games win percentage was 19.5% in the first quarter of 2008, while Rolling Chip table games win percentage (calculated before discounts and commissions) was 2.96%. These results compare to our expected Non-Rolling Chip table games win percentage of 18% to 20%, and Rolling Chip table games win percentage (calculated before discounts and commissions) of 3.0%.

Slot handle (volume) for the first quarter of 2008 was \$372.9 million. Slot win percentage was 8.5%.

Hotel revenues during the quarter were \$47.7 million. The Venetian Macao's ADR was \$232 while the occupancy per available guest rooms was 78.6%, generating REVPAR of \$183.

Retail and other operating revenues were \$32.9 million. Food and beverage revenues were \$14.6 million.

Adjusted property EBITDAR for The Venetian Macao was \$110.3 million in the first quarter of 2008. On a GAAP basis, first quarter operating income for The Venetian Macao was \$56.8 million.

Weidner added, "In The Venetian Macao's second full quarter of operation, we experienced strong visitation, healthy ADR and occupancy statistics, additional progress in our corporate and group meetings business, solid retail sales figures and healthy Non-Rolling Chip gaming volumes. We have now welcomed over 14 million people to The Venetian Macao since opening our doors last August, illustrating the broad appeal of our market-leading investments in Asia's first integrated resort.

"Looking ahead, our ongoing investments in Macao's transportation infrastructure will continue to drive visitation and improve the customer experience for Macao's visitors. We expect our CotaiJet ferry service, which is operated by our partner Cotai Chu Kong Shipping Management Services Co., Ltd., to be expanded in the months ahead. Over time, we expect to offer regional ferry service into Taipa's temporary Pac-On ferry terminal with more frequency and on a 24 hours per day, seven days per week basis. The expansion of this service, which carries passengers from Hong Kong's Shun Tak ferry terminal directly to Taipa and the adjacent Cotai Strip, should enhance the customer experience for visitors to Macao, particularly for customers who are attending multiple day conventions and exhibitions, or evening entertainment events. Ongoing investments in Macao's transportation infrastructure, including expanded ferry services, local and regional busing programs, and aviation services should not only expand the number of visitors to Macao and the Cotai Strip and improve the customer experience of visitors to the region, but also provide opportunities for important new customers with high discretionary incomes from around the region to visit the market for the first time. These new visitors and first-time customers will allow us to drive increases in both gaming and non-gaming revenue and operating income yield per visitor, and we expect our additional integrated resorts on the Cotai Strip to enhance and drive this strategy in the future," said Weidner.

Other Factors Affecting Earnings

Pre-opening expenses related principally to the opening of the Four Seasons Macao, Marina Bay Sands in Singapore, Sands Bethworks in Bethlehem, Pennsylvania, and other resorts on the Cotai Strip were \$26.6 million in the first quarter of 2008, compared to \$22.5 million in the first quarter of 2007.

Development expenses related to our efforts in the People's Republic of China, the wider Asian region, Europe, the United States and elsewhere were \$5.9 million in the first quarter of 2008, compared to \$2.3 million in the first quarter of 2007.

Depreciation and amortization expense was \$113.4 million in the first quarter of 2008, compared to \$31.2 million in the first

quarter of 2007. The increase was principally driven by increases in depreciation expense related to the openings of The Venetian Macao and The Palazzo.

Interest expense, net of amounts capitalized, was \$114.7 million for the first quarter of 2008, compared to \$34.6 million during the first quarter of 2007. The increase is primarily the result of increased borrowings to support the company's growth pipeline and current and future development, including borrowings related to the company's \$5.0 billion domestic credit facility, the \$3.3 billion credit facility to support our developments in Macao, as well as borrowings related to the SGD5.44 billion (approximately \$3.94 billion at exchange rates in effect as of March 31, 2008) credit facility to support the development of Marina Bay Sands in Singapore. Capitalized interest was \$30.6 million during the first quarter of 2008, compared to \$46.8 million during the first quarter of 2007.

Stock-based compensation expense was \$9.8 million in the first quarter of 2008, compared to \$4.4 million in the first quarter of 2007.

Other income, which is principally composed of foreign currency translation gains, was \$8.1 million in the first quarter of 2008, compared to other expense of \$7.0 million in the first quarter of 2007.

The company's projected effective tax rate for the full year 2008 is approximately 6.2%, which is lower than the United States federal statutory rate of 35% due principally to a zero effective tax rate on our Macao gaming income.

Balance Sheet Items

Unrestricted cash balances as of March 31, 2008, stood at \$855.4 million while restricted cash balances were \$454.4 million. Of the restricted cash balances, \$100.1 million is restricted for Macao-related construction and \$324.6 million is restricted for construction of Marina Bay Sands in Singapore.

As of March 31, 2008, total debt outstanding, including the current portion, was \$8.37 billion.

Capital Expenditures and Other Activities

Capital expenditures during the first quarter of 2008 totaled \$943.5 million. This includes construction and development activities of \$471.4 million in Macao, \$219.9 million at The Palazzo and The Shoppes at The Palazzo, \$173.3 million in Singapore, \$38.5 million at Sands Bethworks, \$13.1 million at The Venetian Las Vegas and the Sands Expo and Convention Center in Las Vegas, and \$27.3 million for corporate and other activities.

Concluding Comments

Weidner concluded, "While we are clearly pleased with the positive reception that the people of Macao, Hong Kong, the People's Republic of China and the wider Asian region have given The Venetian Macao, as well as the recent announcement by the Macao government of the outline for the future development of the gaming industry in Macao in support of destination resorts, we realize we remain in the early stages of fulfilling our promise to Macao. The opening of The Venetian Macao and, later this year, the opening of the Four Seasons Macao, are only the initial steps in delivering on our commitment to lead the transformation of Macao into Asia's premier destination resort, and the leading host for tradeshow and conventions in the region. We have much work ahead of us as we continue to partner with Macao to realize the vision of transforming Macao into Asia's premier business and leisure destination.

"Elsewhere, our track record of execution in the development and operation of convention-based integrated destination resorts positions us to execute on our currently announced projects and to develop, identify and utilize our market-leading position to win additional growth opportunities worldwide.

"In Singapore, we continue to make steady progress on construction and other development activities of the Marina Bay Sands, which remains on track for an opening in late 2009. We currently have an average of more than 2,500 workers on site, with work progressing on a 24/7 basis. The Marina Bay Sands will feature approximately 2,700 hotel rooms, approximately 1.2 million square feet of flexible meetings, incentive, convention, food and beverage, and exhibition space, more than 750,000 square feet of retail space, three large entertainment venues, and gaming space, which will include our high-end Paiza Club(TM).

"In Bethlehem, Pennsylvania we continue to advance our construction activities on Sands Bethworks. Erection of the casino steel began on schedule in February with approximately 60% of the structure now completed. The concrete foundations for both the parking garage and retail mall have been completed and the garage steel erection has now begun. The 124-acre integrated destination resort, located on the site of the former Bethlehem Steel plant, is on the I-78 corridor in eastern Pennsylvania, with 17.2 million people, including the lucrative northern New Jersey and New York metropolitan markets, residing within a 75-mile radius. The property will feature in its first phase a hotel, retail space, 5,000 slot machines, a multipurpose event center, and a variety of dining and entertainment options. The resort will also be home to the National Museum of Industrial History, an arts and cultural center, and the broadcast home of the local PBS affiliate."

Conference Call Information

The company will hold a conference call to discuss the company's results on Wednesday, April 30, 2008 at 1:30 p.m. Pacific Time (4:30 p.m. Eastern Time). Interested parties are invited to join the call by dialing (888) 713-4205 and using the access code 87036260. International callers, please dial (617) 213-4862 and use the same access code. The conference call will also be available through a live audio webcast at <http://www.lasvegassands.com> (click on Investor Relations). A telephone replay will be available at (888) 286-8010 and (617) 801-6888, access code 71955593, from April 30, 2008, at approximately 3:30 p.m. Pacific Time (6:30 p.m. Eastern Time) through May 7, 2008.

Forward-Looking Statements

This press release contains forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, new ventures, substantial leverage and debt service, government regulation, legalization of gaming, interest rates, future terrorist acts, insurance, gaming junket operators, risks relating to our Macao gaming concession, infrastructure in Macao and other factors detailed in the reports filed by Las Vegas Sands Corp. with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Las Vegas Sands Corp. assumes no obligation to update such information.

ABOUT LAS VEGAS SANDS CORP.

Las Vegas Sands Corp. (NYSE: LVS) is the leading international developer of multi-use integrated resorts.

The Las Vegas, Nevada-based company owns and operates The Venetian Resort-Hotel-Casino, The Palazzo Resort-Hotel-Casino and the Sands Expo and Convention Center in Las Vegas, as well as the Sands Macao and The Venetian Macao in the People's Republic of China (PRC) Special Administrative Region of Macao. The company is currently constructing two additional integrated resorts: Sands Bethworks(TM) in Bethlehem, Pennsylvania, and the Marina Bay Sands(TM) in Singapore.

LVS is also creating the Cotai Strip(TM), a master-planned development of resort-casino properties in Macao. Additionally, the company is working with the Zhuhai Municipal People's Government of the PRC to master-plan the development of a leisure resort and convention complex on Hengqin Island in the PRC.

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Las Vegas Sands
First Quarter 2008 Results
Non-GAAP Reconciliations

Within the company's first quarter 2008 press release, the company makes reference to certain non-GAAP financial measures including "adjusted net income", "adjusted earnings per diluted share", "adjusted EBITDA", and "adjusted property EBITDAR". Whenever such information is presented, the company has complied with the provisions of the rules under Regulation G and Item 2.02 of Form 8-K. The specific reasons why the company's management believes that the presentation of each of these non-GAAP financial measures provides useful information to investors regarding Las Vegas Sands Corp.'s financial condition, results of operations and cash flows has been provided in the Form 8-K filed in connection with this press release.

Adjusted net income and adjusted earnings per diluted share in the first quarter of 2008 exclude loss on disposal of assets, pre-opening expense, development expense, and loss on early retirement of debt. Adjusted net income and adjusted earnings per diluted share in the first quarter of 2007 exclude loss on disposal of assets, pre-opening expense, and development expense. Reconciliations of GAAP net income (loss) and GAAP earnings (loss) per diluted share to adjusted net income and adjusted earnings per diluted share are included in the financial schedules accompanying this release.

Adjusted EBITDA consists of operating income (loss) before depreciation and amortization, gain or loss on disposal of assets, pre-opening expense, development expense, and stock-based compensation. Adjusted property EBITDAR consists of operating income (loss) before depreciation and amortization, gain or loss on disposal of assets, pre-opening expense, development expense, stock-based compensation, corporate expense, and rental expense. Reconciliations of GAAP operating income (loss) and GAAP net income to adjusted EBITDA and adjusted property EBITDAR are included in the financial schedules accompanying this release.

Las Vegas Sands Corp. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Revenues:		
Casino	\$795,441	\$465,734
Rooms	190,689	97,868
Food and beverage	83,240	54,359
Retail	31,333	2,694
Other	47,525	40,352
	1,148,228	661,007
Less - Promotional allowances	(69,205)	(32,789)
	1,079,023	628,218
Operating Costs and Expenses:		
Resort operations	796,841	415,772
Rental expense	9,064	6,708
Corporate expense	25,537	18,519
Pre-opening expense	26,590	22,457
Development expense	5,892	2,346
Depreciation and amortization	113,413	31,232
Loss on disposal of assets	5,121	178
	982,458	497,212
Operating income	96,565	131,006
Interest income	5,465	12,664
Interest expense, net of amounts capitalized	(114,700)	(34,612)
Other income (expense)	8,099	(7,033)
Loss on early retirement of debt	(3,989)	-
Income (loss) before income taxes	(8,560)	102,025
Provision for income taxes	(2,674)	(11,111)
Net income (loss)	\$(11,234)	\$90,914
Basic earnings (loss) per share	\$(0.03)	\$0.26
Diluted earnings (loss) per share	\$(0.03)	\$0.26
Weighted average shares outstanding		
Basic	355,274,537	354,613,724
Diluted	355,274,537	356,114,292

Las Vegas Sands Corp. and Subsidiaries
Non-GAAP Measure - Adjusted Net Income and Earnings Per Share
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Net income (loss)	\$(11,234)	\$90,914
Loss on disposal of assets, net	3,657	119
Pre-opening expense, net	22,990	21,507
Development expense, net	4,171	2,057
Loss on early retirement of debt, net	3,989	-
Adjusted net income	\$23,573	\$114,597

Per diluted share of common stock:

Net income (loss)	\$ (0.03)	\$0.26
Loss on disposal of assets, net	0.01	-
Pre-opening expense, net	0.07	0.06
Development expense, net	0.01	-
Loss on early retirement of debt, net	0.01	-
Adjusted earnings per diluted share	\$0.07	\$0.32
Weighted average diluted shares outstanding	356,056,927	356,114,292

Las Vegas Sands Corp. and Subsidiaries
Supplemental Data - Net Revenues by Resort
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Las Vegas Operations	\$351,573	\$277,844
Sands Macao	268,250	350,374
The Venetian Macao	455,741	-
Other Asia	3,459	-
	\$1,079,023	\$628,218

Las Vegas Sands Corp. and Subsidiaries
Non-GAAP Measure
(In thousands)
(Unaudited)

The following are reconciliations of Operating Income to Adjusted EBITDA and Adjusted Property EBITDAR

Three Months Ended March 31, 2008

	Operating Income (Loss)	Depreciation and Amortization	(Gain) Loss on Disposal of Assets	Pre- Opening Expense	Development Expense
Sands Macao	\$49,556	\$13,483	\$1,038	\$132	\$-
The Venetian Macao	56,839	46,578	38	3,808	-
Macao Operating Properties	106,395	60,061	1,076	3,940	-
Las Vegas Operating Properties	57,411	49,349	4,184	5,825	-
Property Operations	163,806	109,410	5,260	9,765	-
Other Asia (2)	(13,090)	1,532	(139)	-	792
Other development	(26,447)	304	-	16,825	5,100
Corporate	(27,704)	2,167	-	-	-
	\$96,565	\$113,413	\$5,121	\$26,590	\$5,892

(1)	Adjusted Stock- Based Compensation	Adjusted EBITDA	Corporate Expense	Rental Expense	Adjusted Property EBITDAR
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Sands Macao	\$1,018	\$65,265	\$-	\$353	\$65,118
The Venetian Macao	1,048	108,311	-	2,024	110,335
Macao Operating Properties	2,104	173,576	-	2,377	175,953
Las Vegas Operating Properties	3,323	120,092	-	2,469	122,561
Property Operations	5,427	293,668	-	4,846	298,514
Other Asia (2)	643	(10,262)	-	-	(10,262)
Other development	-	(4,218)	-	4,218	-
Corporate	-	(25,537)	25,537	-	-
	\$6,070	\$253,651	\$25,537	\$9,064	\$288,252

Three Months Ended March 31, 2007

	Operating Income (Loss)	Depreciation and Amortization	Loss on Disposal of Assets	Pre-Opening Expense	Development Expense
Sands Macao	\$90,563	\$10,796	\$9	\$-	\$-
The Venetian Las Vegas	90,320	17,992	168	103	-
Property Operations	180,883	28,788	177	103	-
Other development	(30,631)	1,717	1	22,354	2,346
Corporate	(19,246)	727	-	-	-
	\$131,006	\$31,232	\$178	\$22,457	\$2,346

	(1) Stock-Based Compensation	Adjusted EBITDA	Corporate Expense	Rental Expense	Adjusted Property EBITDAR
Sands Macao	\$573	\$101,941	\$-	\$355	\$102,296
The Venetian Las Vegas	1,379	109,962	-	2,140	112,102
Property Operations	1,952	211,903	-	2,495	214,398
Other development	-	(4,213)	-	4,213	-
Corporate	-	(18,519)	18,519	-	-
	\$1,952	\$189,171	\$18,519	\$6,708	\$214,398

(1) The Company recorded \$9.8 million and \$4.4 million of stock-based compensation expense during the three months ended March 31, 2008 and 2007, respectively, of which \$3.3 million and \$1.7 million, respectively, is included in corporate expense and \$0.4 million and \$0.7 million, respectively, is included in pre-opening and development expense on our condensed consolidated statements of operations.

(2) Primarily includes the results of operations for Cotai Waterjets.

Las Vegas Sands Corp. and Subsidiaries
Non-GAAP Measure
(In thousands)

(Unaudited)

The following is a reconciliation of Net Income (Loss) to Adjusted EBITDA and Adjusted Property EBITDAR:

	Three Months Ended March 31,	
	2008	2007
Net income (loss)	\$ (11,234)	\$90,914
Add (deduct) :		
Provision for income taxes	2,674	11,111
Other (income) expense	(8,099)	7,033
Interest income	(5,465)	(12,664)
Interest expense, net of amounts capitalized	114,700	34,612
Loss on early retirement of debt	3,989	-
Depreciation and amortization	113,413	31,232
Loss on disposal of assets	5,121	178
Pre-opening expense	26,590	22,457
Development expense	5,892	2,346
Stock-based compensation (1)	6,070	1,952
Adjusted EBITDA	253,651	189,171
Add:		
Rental expense	9,064	6,708
Corporate expense	25,537	18,519
Adjusted Property EBITDAR	\$288,252	\$214,398

(1) See prior page

Las Vegas Sands Corp. and Subsidiaries
Supplemental Data Schedule
(Unaudited)

	Three Months Ended March 31,	
	2008	2007
Room Statistics:		
The Venetian Las Vegas:		
Occupancy %	91.1%	98.8%
Average daily room rate (ADR) (1)	\$274	\$276
Revenue per available room (REVPAR) (2)	\$250	\$273
The Palazzo:		
Occupancy %	79.1%	N/A
Average daily room rate (ADR) (1)	\$244	N/A
Revenue per available room (REVPAR) (2)	\$193	N/A
Sands Macao:		
Occupancy %	97.5%	97.5%
Average daily room rate (ADR) (1)	\$278	\$400
Revenue per available room (REVPAR) (2)	\$271	\$390
The Venetian Macao:		
Occupancy %	78.6%	N/A
Average daily room rate (ADR) (1)	\$232	N/A
Revenue per available room (REVPAR) (2)	\$183	N/A
Other Information:		
The Venetian Las Vegas:		
Table games win per unit per day (3)	\$6,604	\$8,366
Slot machine win per unit per day (4)	\$193	\$233
Average number of table games	130	136
Average number of slot machines	1,669	1,694
The Palazzo:		
Table games win per unit per day (3)	\$3,236	N/A
Slot machine win per unit per day (4)	\$154	N/A
Average number of table games	128	N/A

Average number of slot machines	1,390	N/A
---------------------------------	-------	-----

Sands Macao:

Table games win per unit per day (3)	\$5,058	\$5,421
Slot machine win per unit per day (4)	\$173	\$153
Average number of table games	626	787
Average number of slot machines	1,344	1,571

The Venetian Macao:

Table games win per unit per day (3)	\$5,840	N/A
Slot machine win per unit per day (4)	\$130	N/A
Average number of table games	808	N/A
Average number of slot machines	2,662	N/A

- (1) ADR is Average Daily Rate and is calculated by dividing total room revenue by total rooms occupied.
- (2) REVPAR is defined as Revenue Per Available Room and is calculated by dividing total room revenue by total rooms available.
- (3) Table games win per unit per day is shown before discounts and commissions.
- (4) Slot machine win per unit per day is shown before deducting cost for slot points.

SOURCE Las Vegas Sands Corp.

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04/30/2008

/CONTACT: investment community, Scott Henry, +1-702-733-5502, or media, Ron Reese, +1-702-414-3607, both of Las Vegas Sands Corp./

/Web site: <http://www.venetian.com>
<http://www.lasvegassands.com> /

(LVS)

CO: Las Vegas Sands Corp.

ST: Nevada

IN: FIN CNO TRA LEI ENT

SU: ERN CCA

DA-CD

-- LAW547 --

5040 04/30/2008 16:01 EDT <http://www.prnewswire.com>

Exhibit D

Las Vegas Sands Announces Election of Jeffrey H. Schwartz to Board of Directors

LAS VEGAS, March 13 /PRNewswire-FirstCall/ -- Las Vegas Sands Corp. (NYSE: LVS) announced today that Jeffrey H. Schwartz has been elected to the company's board of directors. Mr. Schwartz is the chairman and co-founder of Global Logistic Properties, a venture that controls the largest platform of logistic facilities in Asia. Mr. Schwartz replaces Mr. James Purcell, who resigned from the LVS Board on March 9, 2009.

"As a company with an already significant and still growing presence in Asia, Jeff's insights will certainly be valuable as we continue to execute on our development plans in the region, specifically the opening of the Marina Bay Sands in Singapore," said Sheldon G. Adelson, the company's chairman and chief executive officer. "We would also like to thank Jim Purcell for his years of service on the board."

Prior to his role with Global Logistic Properties, Mr. Schwartz was chairman and chief executive officer of the Fortune 500 Company ProLogis, which controls more than 475 million square feet of industrial space in markets all across North America, Europe and Asia.

While with ProLogis, Mr. Schwartz was appointed to a series of executive positions. He initially had responsibility for the development of the United States business before initiating the company's international expansion. While living in Europe as vice-chairman he spearheaded ProLogis' entry into the European markets, establishing a number one market position. He also established the ProLogis Asia platform, which soon became the market leader in China, Japan, and Korea.

Mr. Schwartz graduated first in his class from Emory University in 1981 with a Bachelor's of Business Administration. He also earned a Master's of Business Administration from Harvard Business School in 1985.

Statements in this press release, which are not historical facts, are "forward-looking" statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to general economic conditions, competition, new ventures, government regulation, legalization of gaming, interest rates, future terrorist acts, insurance, and other factors detailed in the reports filed by Las Vegas Sands Corp. with the Securities and Exchange Commission.

ABOUT LAS VEGAS SANDS CORP.

Las Vegas Sands Corp. (NYSE: LVS) is the leading international developer of multi-use integrated resorts.

The Las Vegas, Nevada-based company owns and operates The Venetian Resort-Hotel-Casino, The Palazzo Resort-Hotel-Casino, and the Sands Expo and Convention Center in Las Vegas and The Venetian Macao Resort-Hotel and the Sands Macao in the People's Republic of China (PRC) Special Administrative Region of Macao. The company also owns the Four Seasons Hotel Macao and is constructing two additional integrated resorts: Sands Casino Resort Bethlehem(TM) in Eastern Pennsylvania; and Marina Bay Sands(TM) in Singapore.

LVS is also creating the Cotai Strip(R), a master-planned development of resort-casino properties in Macao. At completion, the Cotai Strip will feature approximately 21,000 rooms from world-renowned hotel brands such as St. Regis, Sheraton, Shangri-La, Traders, Hilton, Conrad, Fairmont, Raffles, Holiday Inn, and InterContinental.

For more information, please visit www.lasvegassands.com.

Contacts:

Investment Community: Daniel Briggs (702) 414-1221
Media: Ron Reese (702) 414-3607

SOURCE Las Vegas Sands Corp.

CONTACT: Investment Community, Daniel Briggs, +1-702-414-1221, or Media,
Ron Reese, +1-702-414-3607, both for Las Vegas Sands Corp. value="NYSE:LVS">
Web Site: <http://www.lasvegassands.com>

Exhibit E

8-K 1 form8k_041009.htm CURRENT REPORT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) **April 10, 2009**

LAS VEGAS SANDS CORP.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation)

001-32373

(Commission File Number)

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)

NOT APPLICABLE

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17 CFR 240.13c-4(c))
-

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.

On April 10, 2009, the Board of Directors of Las Vegas Sands Corp. (the "Company") elected Jason N. Ader to the Board as a Class II director, whose term will expire in 2009. The Board also appointed Mr. Ader as a new member of its Audit Committee. There are no arrangements between Mr. Ader and any other person pursuant to which Mr. Ader was selected as a director, nor are there any transactions to which the Company or any of its subsidiaries is a party and in which Mr. Ader has a material interest subject to disclosure under Item 404(a) of Regulation S-K.

On April 15, 2009, the Company issued a press release announcing Mr. Ader's election to the Board. The press release is attached as Exhibit 99.1 to this report and is incorporated by reference into this Item.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

99.1 Press release, dated April 15, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 15, 2009

LAS VEGAS SANDS CORP.

By: /s/ J. Alberto Gonzalez-Pita

Name: J. Alberto Gonzalez-Pita

Title: Senior Vice President and General Counsel

Exhibit F

LAS VEGAS SANDS CORP (LVS)

3355 LAS VEGAS BOULEVARD, SOUTH
ROOM 1A
LAS VEGAS, NV 89109
(702) 414-10
<http://www.lasvegassands.com>

10-Q

10-Q

Filed on 11/10/2008 - Period: 09/30/2008

File Number 001-32373



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, 2008

- ☐ 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 registrant as specified in its charter)

Nevada
*(State or other jurisdiction of
incorporation or organization)*

3355 Las Vegas Boulevard South
Las Vegas, Nevada
(Address of principal executive offices)

27-0099920
*(I.R.S. Employer
Identification No.)*

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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of October 31, 2008.

LAS VEGAS SANDS CORP.

Class	Outstanding at October 31, 2008
Common Stock (\$0.001 par value)	355,476,161 shares

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 Current Report on Form 8-K of Las Vegas Sands Corp., a Nevada corporation ("LVSC"), and its subsidiaries (collectively the "Company") filed on November 6, 2008. The year-end balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles in the United States of America. 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 ("NYSE") under the symbol "LVS."

Operations

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 reminiscent of Italian affluent living; and an expo and convention center of approximately 1.2 million square feet (the "Sands Expo Center"). With the opening of The Palazzo in December 2007, 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 General Growth Partners ("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 on February 29, 2008.

The Company also owns and operates the Sands Macao, the first Las Vegas-style casino in Macao, China, pursuant to a 20-year gaming subconcession. The Sands Macao offers over 229,000 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.

On August 28, 2007, the Company opened The Venetian Macao Resort Hotel ("The Venetian Macao"), which anchors the Cotai Strip™, a master-planned development of resort properties in Macao, China. 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; a casino floor of approximately 550,000 square feet; an approximately 15,000-seat arena; 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.

On August 28, 2008, the Company opened the Four Seasons Hotel Macao (the "Four Seasons Macao"), which is located adjacent to The Venetian Macao. The Four Seasons Macao features 360 rooms and suites managed by Four Seasons Hotel Inc.; approximately 70,000 square feet of gaming space; several food and beverage offerings; conference and banquet facilities; and retail space of approximately 211,000 square feet, which is connected to the mall at The Venetian Macao. The property will also feature 19 Paiza mansions and the Four Seasons Private Apartments Macao, Cotai Strip™ (the "Four Seasons Private Apartments") consisting of approximately 1.0 million square feet of Four Seasons-serviced and -branded luxury apartment hotel units, which are currently expected to open in the third quarter 2009.

Development Projects

Given current conditions in the capital markets and the global economy and their impact on the Company's ongoing operations, the Company has chosen to temporarily or indefinitely suspend portions of its development projects and will focus its development efforts on those projects with the highest rates of expected return on invested capital given the liquidity and capital resources available to the Company today. The continuing development plan, as outlined in further detail below, is dependent on the Company raising additional capital. If the Company is unable

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

to raise additional capital in the near term, the Company would need to consider further suspending portions, if not all, of its remaining global development projects.

United States Development Projects

St. Regis Residences

The Company has been constructing a St. Regis-branded high-rise residential condominium tower, the St. Regis Residences at The Venetian Palazzo (the "St. Regis Residences"), which is situated between The Palazzo and The Venetian Las Vegas on the Las Vegas Strip and is expected to feature approximately 400 luxury residences. On November 10, 2008, the Company announced the indefinite suspension of its construction activities for the project due to difficulties in the capital markets, reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. The Company will consider recommencing construction when these conditions improve and expects that it will take approximately 18 months from when construction recommences to complete the project. The cost to build the St. Regis Residences was expected to be approximately \$600 million; however, the impact of the suspension on the estimated overall cost to build is currently not determinable. As of September 30, 2008, the Company has spent \$86.0 million in construction costs and branding-related payments. The estimated cost to prepare the site for delay and to complete construction of the podium portion (which is part of The Shoppes at The Palazzo and includes already leased retail and entertainment space), which activities are expected to be completed during the first quarter of 2009, is approximately \$95 million.

Sands Bethlehem

In August 2007, the Company's indirect majority-owned subsidiary, Sands Bethworks Gaming LLC ("Sands Bethworks Gaming"), was issued a Pennsylvania gaming license by the Pennsylvania Gaming Control Board. The Company is in the process of developing a gaming, hotel, retail and dining complex called Sands Casino Resort Bethlehem ("Sands Bethlehem"), located on the site of the Historic Bethlehem Steel Works in Bethlehem, Pennsylvania, which is approximately 70 miles from midtown Manhattan, New York. Bethworks Now, LLC, the Company's joint venture partner, contributed the land on which Sands Bethlehem is being developed to Sands Bethworks Gaming and Sands Bethworks Retail, LLC, the owner of the retail portion of Sands Bethlehem, in September 2008.

On November 10, 2008, the Company announced suspension of construction of a portion of Sands Bethlehem due to difficulties in the capital markets and the overall decline in general economic conditions. The Company will continue construction of the casino component of the 124-acre development, which will open with 3,000 slot machines (increasing to 5,000 six months after the opening date) and a variety of dining options, as well as the parking garage and surface parking. Construction activities on the remaining components, which include a 300-room hotel, an approximate 200,000-square-foot retail facility, a 50,000-square-foot multipurpose event center and a variety of additional dining options, have been suspended until capital markets and general economic conditions improve. The cost to build Sands Bethlehem was expected to be approximately \$600 million (excluding furniture, fixtures and equipment ("FF&E"), pre-opening and other costs), of which \$236.9 million had been spent as of September 30, 2008. The Company has spent an additional \$79.5 million on other costs related to the project, which includes the gaming license and pre-opening and other costs, as of September 30, 2008. The Company expects to incur an additional \$282 million to complete the construction of the casino and parking components, and to prepare the additional components for delay, which are expected to be completed during the second quarter of 2009. The Company also expects to incur \$145 million of additional costs to open the casino component, including FF&E, pre-opening and other costs. The estimated cost to build the remaining components of the project is currently not determinable.

Macao Development Projects

The Company has submitted plans to the Macao government for its Cotai Strip developments, which represent five integrated resort developments, in addition to The Venetian Macao and the Four Seasons Macao on an area of approximately 200 acres (which are referred to as parcels 3, 5, 6, 7 and 8). The developments are expected to include hotels, exhibition and conference facilities, casinos, showrooms, shopping malls, spas, restaurants, entertainment

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

facilities and other amenities. The Company has commenced construction or pre-construction for these five parcels and plans to own and operate all of the casinos in these developments under its Macao gaming subconcession.

On November 10, 2008, the Company announced its revised development plans for these parcels due to difficulties in the capital markets and the overall decline in general economic conditions. The Company plans to temporarily suspend construction of phase I of parcels 5 and 6, which includes the Shangri-La and Traders tower and the first Sheraton tower, along with the podium that encompasses the casino, associated public areas, portions of the shopping mall and approximately 100,000 square feet of meeting space, while the Company pursues project-level financing. The Company is targeting to complete the financing within the next three to six months; however, there can be no assurance that such financing will be obtained. Once financing has been obtained, the Company expects it will take approximately nine months to complete construction of phase I. Construction of phase II of the project, which includes the second Sheraton tower and the St. Regis serviced luxury apartment hotel, has been suspended until conditions in the capital markets and general economic conditions improve. Starwood Hotels & Resorts Worldwide, the manager of the Sheraton hotels and St. Regis serviced luxury apartment hotel, has the right to terminate its management agreements if certain construction and opening obligations and deadlines are not met, and under the Company's revised development plan, there is a significant risk that it will not meet at least some of these obligations and deadlines. The impact of the revised development plan on the estimated overall cost of the project is currently not determinable. The estimated total cost to build phase I and prepare the phase II components for delay is expected to be approximately \$3.05 billion (excluding FF&E, pre-opening and other costs), of which \$1.16 billion had been spent as of September 30, 2008. If the proposed project-level financing is unsuccessful, the Company expects to incur approximately \$900 million in costs to prepare the project for delay. The Company has commenced pre-construction on parcels 7, 8 and 3, and will not commence construction until government approvals necessary to commence construction are obtained, regional and global economic conditions improve, future demand warrants and additional financing is obtained.

The impact of the delays or significant slow down of construction of the Cotai Strip developments on the Company's overall estimated cost to build is currently not determinable. As of September 30, 2008, the Company has capitalized \$4.33 billion in construction costs on the Cotai Strip, including The Venetian Macao and Four Seasons Macao. The Company will need to arrange additional financing to fund the balance of the Company's Cotai Strip developments and there is no assurance that it will be able to obtain any of the additional financing required.

The Company has received a land concession from the Macao government to build on parcels 1, 2 and 3, including the sites on which The Venetian Macao (parcel 1) and Four Seasons Macao (parcel 2) are located. The Company does not own these land sites in Macao; however, the land concession, which has an initial term of 25 years and is renewable at the Company's option, grants it the exclusive use of the land. As specified in the land concession, the Company is required to pay premiums, which are payable over four years or are due upon the completion of the corresponding resort, as well as annual rent for the term of the land concession. In October 2008, the Macao government amended the land concession to separate the retail mall and hotel portions of the Four Seasons Macao parcel, and allowed the Company to subdivide such parcel into four separate components, including the Four Seasons Private Apartments and retail mall portions. In consideration for the amendment, the Company paid an additional land premium of approximately \$17.8 million and will pay adjusted annual rent over the remaining term of the concession, which increased slightly due to the revised allocation of parcel use.

The Company does not yet have all the necessary Macao government approvals that it will need in order to develop its planned Cotai Strip developments on parcels 3, 5, 6, 7 and 8. The Company has received a land concession for parcel 3, as previously noted, but has not yet been granted land concessions for parcels 5, 6, 7 and 8. The Company is in the process of negotiating with the Macao government to obtain the land concession for parcels 5 and 6, and will subsequently negotiate the land concession for parcels 7 and 8. Based on historical experience with the Macao government with respect to the Company's land concessions for the Sands Macao and parcels 1, 2 and 3, management believes that the land concessions for parcels 5, 6, 7 and 8 will be granted; however, if the Company does not obtain these land concessions, it could forfeit all or a substantial part of its \$1.45 billion in capitalized construction costs related to these developments as of September 30, 2008.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Under its land concession for parcel 3, the Company is required to complete the development of this parcel by August 2011. If the Company is unable to meet the August 2011 deadline and that deadline is not extended, the Company could lose its right to continue to operate The Venetian Macao, Sands Macao, Four Seasons Macao or any other facility developed under its Macao gaming subconcession, and its investment to date on these developments could be lost. The Company believes that if it is not able to complete the development of parcel 3 by the deadline, it will be able to obtain an extension of the deadline; however, no assurances can be given that an extension will be granted by the Macao government.

Singapore Development Project

In August 2006, the Company's wholly-owned subsidiary, Marina Bay Sands Pte. Ltd. ("MBS"), entered into a development agreement (the "Development Agreement") with the Singapore Tourism Board (the "STB") to build and operate an integrated resort called the Marina Bay Sands in Singapore. The Marina Bay Sands is expected to include three 50+ story hotel towers (totaling approximately 2,600 rooms), a casino, an enclosed retail, dining and entertainment complex of approximately 750,000 net leasable square feet, a convention center and meeting room complex of approximately 1.3 million square feet, theaters and a landmark iconic structure at the bay-front promenade that will contain an art/science museum. The Company is continuing to finalize various design aspects of the integrated resort and is in the process of finalizing its cost estimates for the project. The Company expects the cost to build the Marina Bay Sands will be approximately 7.15 billion Singapore Dollars ("SGD," approximately \$4.99 billion at exchange rates in effect on September 30, 2008), which excludes FF&E, pre-opening and other costs but includes payments made in 2006 for land premium, taxes and other fees. As the Company has obtained Singapore-denominated financing and primarily pays its costs in Singapore Dollars, exposure to foreign exchange gains/losses is expected to be minimal. The Company has spent approximately SGD 2.59 billion (approximately \$1.81 billion at exchange rates in effect on September 30, 2008) in construction costs as of September 30, 2008. Based on the Company's current development plan, it intends to continue construction on its existing timeline with the majority of the project targeted to open in late 2009.

Hengqin Island Development Project

The Company has entered into a non-binding letter of intent with the Zhuhai Municipal People's Government of the People's Republic of China to work together to create a master plan for, and develop, a leisure and convention destination resort on Hengqin Island, which is located within mainland China, approximately one mile from the Cotai Strip. In January 2007, the Company was informed that the Zhuhai Government established a Project Coordination Committee to act as a government liaison empowered to work directly with the Company to advance the development of the project. On November 10, 2008, the Company announced the indefinite suspension of the project because of the difficult global economic and credit market environment.

Other Development Projects

The Company is currently exploring the possibility of developing and operating additional properties, including integrated resorts, in other Asian and U.S. jurisdictions, and in Europe. In July 2008, the Company withdrew a previously submitted application to develop a casino resort in the Kansas City, Kansas, metropolitan area.

Development Financing Strategy

The Company held unrestricted and restricted cash and cash equivalents of approximately \$1.28 billion and \$239.1 million, respectively, as of September 30, 2008. As previously described, the Company has a number of significant development projects in the United States, Macao and Singapore, some of which it plans to temporarily or indefinitely suspend due to current conditions in the global capital markets and overall decline in general economic conditions, which have had an impact on the Company's ongoing operations. Through September 30, 2008, the Company has principally funded its development projects through borrowings under the bank credit facilities of its operating subsidiaries, operating cash flows and proceeds from the disposition of non-core assets. In 2007, the Company began to execute its financing strategy to secure additional borrowing capacity to fund its existing and future development projects and operations in Asia, including Macao and Singapore, and the United

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

States. In the near term, the Company will seek to borrow significant amounts under its existing and potential future bank credit facilities, if available, or raise equity capital as the Company funds components of its revised development strategy and, as further described below, will require additional capital to fund the completion of its projects. If the Company is unable to raise additional capital in the near term, the Company would need to consider further suspending portions, if not all, of its remaining global development projects.

In April 2007, the Company increased the size of its Macao credit facility from \$2.5 billion to \$3.3 billion to continue funding the development of The Venetian Macao and the Four Seasons Macao as well as portions of its other Macao development projects. As of September 30, 2008, the Company has fully drawn the revolving facility of the Macao credit facility and had construction payables of approximately \$385.5 million related to its Macao development projects. The Company expects to incur additional construction costs of \$337 million to complete the Four Seasons Private Apartments and the remaining portions of the Four Seasons Macao by the third quarter of 2009. In addition, the Company expects to incur additional costs, including FF&E, pre-opening, land premium and other costs, of approximately \$126 million (some of which relates to FF&E costs that will be recouped in connection with the sale of the Four Seasons Private Apartments). In the near term, cash balances at the Company's Macao subsidiaries, operating cash flows from Sands Macao, The Venetian Macao and Four Seasons Macao, and cash from LVSC, if available, together with proceeds from borrowings under the U.S. senior secured credit facility, if available, will be used to fund these amounts. The Company was in the process of arranging up to \$5.25 billion of secured bank financing, the proceeds of which would have been used to refinance the amount currently outstanding under the Macao credit facility and to provide incremental borrowings to fund the Four Seasons Private Apartments, the completion of the Four Seasons Macao and the development of parcels 5 and 6, and to continue funding its other Cotai Strip development projects; however, given the conditions in the global credit markets, the Company was unable to reach arrangements with its prospective lenders. As a result, the Company plans to temporarily suspend construction on parcels 5 and 6, until project-level financing is obtained, which it is currently pursuing and targets to complete in the next three to six months; however, there can be no assurance that such financing will be obtained. Additional financing will be required to complete the development and construction of parcels 7, 8 and 3, once those construction activities commence.

In May 2007, the Company entered into a \$5.0 billion U.S. senior secured credit facility with respect to its Las Vegas operations. A portion of the proceeds from this facility was used to refinance the indebtedness collateralized by the Company's Las Vegas integrated resort, including The Venetian Las Vegas, The Palazzo, The Shoppes at The Palazzo and Sands Expo Center, and to fund the design, development and construction costs incurred in connection with the completion of The Palazzo, The Shoppes at The Palazzo, St. Regis Residences and Sands Bethlehem. As of September 30, 2008, the Company had approximately \$601.1 million of available borrowing capacity, net of outstanding letters of credit but including approximately \$7.7 million committed to be funded by Lehman Brothers Commercial Paper Inc. The U.S. senior secured credit facility permits the Company to make investments in certain of its subsidiaries and certain joint ventures not party to the U.S. senior secured credit facility, including its foreign subsidiaries and other development projects outside of Las Vegas, in an amount not to exceed \$2.1 billion, and also permits the Company to invest in its Sands Bethlehem project so long as no more than 30% of any such investment is in the form of an equity contribution to the project, with the balance to be in the form of a secured intercompany loan. As of September 30, 2008, the Company has invested approximately \$1.7 billion of the permitted \$2.1 billion to fund a portion of its required equity contribution to the Marina Bay Sands project and investments with respect to its other development projects, including in Macao. As announced on November 10, 2008, with the delayed development of the St. Regis Residences and the Company's focus on the construction of the casino and parking components of Sands Bethlehem, the Company expects to incur additional construction costs of approximately \$95 million and \$282 million, respectively. The Company also expects to incur \$145 million of additional costs to open the casino component of Sands Bethlehem, including FF&E, pre-opening and other costs. The Company will continue to use excess operating cash flows, proceeds from the sale of non-core assets, such as The Shoppes at The Palazzo, cash contributed by LVSC, if available, and proceeds from borrowings under the U.S. senior secured credit facility, if available, to fund its revised development strategy, as well as construction costs incurred in Macao and its required equity contributions to the Marina Bay Sands.

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In December 2007, the Company entered into a SGD 5.44 billion credit facility (approximately \$3.80 billion at exchange rates in effect on September 30, 2008) to fund development and construction costs and expenses at the Marina Bay Sands, which closed and funded in January 2008. A portion of the proceeds from this facility, together with a portion of the Company's initial SGD 800.0 million (approximately \$558.4 million at exchange rates in effect on September 30, 2008) equity contribution, were used to repay outstanding borrowings of \$1.32 billion under the Company's Singapore bridge facility. As of September 30, 2008, the Company had SGD 2.86 billion (approximately \$2.0 billion at exchange rates in effect on September 30, 2008) available for borrowing under the Singapore credit facility, net of outstanding banker's guarantees and undrawn amounts committed to be funded by Lehman Brothers Finance Asia Pte. Ltd., which will be used to fund a significant portion of the design, development and construction costs of the Marina Bay Sands project. Subsequent to September 30, 2008, the Company has drawn an additional SGD 161.5 million (approximately \$112.7 million at exchange rates in effect on September 30, 2008) under the Singapore credit facility and has contributed additional equity of SGD 100.0 million (approximately \$69.8 million at exchange rates in effect on September 30, 2008). Under the terms of the Singapore credit facility, the Company is obligated to fund at least 20% of the total costs and expenses incurred in connection with the design, development and construction of the Marina Bay Sands project with equity contributions or subordinated intercompany loans, with the remaining 80% funded with debt, including debt under the Singapore credit facility. Through September 30, 2008, the Company has funded its equity contribution requirement through borrowings under the U.S. senior secured credit facility and operating cash flows generated from the Company's Las Vegas operations. Based on current development plans, the Company intends to continue construction on Marina Bay Sands on its existing timeline. Additional financings are planned to complete the development and construction of the Marina Bay Sands; however, there can be no assurance that such financing will be obtained when planned.

Commencing September 30, 2008, the U.S. senior secured credit facility and FF&E financings require the Company's Las Vegas operations to comply with certain financial covenants at the end of each quarter, including to maintain 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"). In order to comply with the maximum leverage ratio covenant as of December 31, 2008, and subsequent quarterly periods, the Company will need to (i) achieve increased levels of Adjusted EBITDA at its Las Vegas properties; (ii) decrease the rate of spending on its global development projects; (iii) obtain additional financing at the parent company level, the proceeds from which could be used to reduce the Company's Las Vegas operations' net debt; (iv) elect to contribute up to \$50.0 million of capital from cash on hand to the Las Vegas operations (such contribution having the effect of increasing Adjusted EBITDA by up to \$50.0 million per quarter for purposes of calculating maximum leverage (the "EBITDA true-up")); or in some cases (v) a combination thereof.

As the Company's Las Vegas properties did not achieve the levels of Adjusted EBITDA necessary to maintain compliance with the maximum leverage ratio for the quarterly period ending September 30, 2008, the Company completed a private placement of \$475.0 million in convertible senior notes with the Company's principal stockholder and his family and used a portion of the proceeds to exercise the EBITDA true-up provision. The EBITDA true-up, by itself, would not have been sufficient to maintain compliance with the maximum leverage ratio as of September 30, 2008. Accordingly, the entire proceeds from the offering were immediately contributed to Las Vegas Sands, LLC ("LVSLLC") to reduce the net debt of the parties to the domestic credit facilities in order to maintain compliance with the maximum leverage ratio for the quarterly period ending September 30, 2008.

Based upon current Las Vegas operating estimates for the quarter ending December 31, 2008 and quarterly periods during 2009, as well as the fact that the Company has continued to fund its development projects outside of Las Vegas, in whole or in part, with borrowings under the U.S. senior secured credit facility, the Company expects the amount of its material domestic subsidiaries' indebtedness will be beyond the level allowed under the maximum leverage ratio. If the Company's Las Vegas Adjusted EBITDA levels do not increase sufficiently, reduced spending on the Company's revised global development projects, as described above, is not sufficient, and the EBITDA true-up is not sufficient or available to enable the Company to maintain compliance under the maximum leverage ratio, the Company will need to obtain significant additional capital at the parent level. As previously announced, the Company has been working with its financial advisor to develop and implement a capital raising program that the Company believes would be sufficient to address the Company's current and anticipated funding needs;

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

however, no assurance can be given that the program will be successful. If none of the foregoing occurs, the Company would need to obtain waivers or amendments under its domestic credit facilities, and no assurances can be given that the Company will be able to obtain these waivers or amendments. If the Company is unable to obtain waivers or amendments if and when necessary, the Company would be in default under its domestic credit facilities, which would trigger cross-defaults under its airplane financings and convertible senior notes. If such defaults or cross-defaults were to occur and the respective lenders chose to accelerate the indebtedness outstanding under these agreements, it would result in a default under the Company's senior notes. 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 right to accelerate the indebtedness outstanding, there can be no assurance that the Company would be able to refinance any amounts that may become accelerated under such agreements. Under the terms of the U.S. senior secured credit facility, if a default or a material adverse change, as defined in the agreement, were to occur or exist at the time of borrowing, it would preclude the Company's domestic subsidiaries from accessing any available borrowings (including the \$400.0 million under the Delayed Draw II Facility, which expires November 23, 2008, and \$201.1 million under the Revolving Facility). If the Company is not able to access these borrowings and raise sufficient additional capital, (i) the Company will not be able to fund its ongoing equity contributions under its Singapore credit facility, and as a result, will not be able to borrow any additional amounts under that facility which may limit its ability to complete construction of the project, (ii) as the Company has fully drawn the revolving portion of its Macao credit facility, the Company will not be able to pay the remaining construction costs of the Four Seasons Macao and Four Seasons Private Apartments if free cash flow from the Sands Macao, The Venetian Macao and Four Season Macao is not sufficient to pay those costs, (iii) the Company may be unable to comply with the maximum leverage ratio covenant under its Macao credit facility at the end of the first quarter of 2009, which would result in a default under the agreement and would allow the lenders to exercise their rights and remedies under the agreement including acceleration of the indebtedness outstanding, (iv) the Company may not be able to continue providing working capital to its ferry operations, and (v) the Company would need to immediately suspend portions, if not all, of its remaining global development projects. These factors raise a substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurement. SFAS No. 157 does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In January 2008, the FASB deferred the effective date for one year for certain non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company has adopted the provisions of this standard and such application did not have a material effect on its financial condition, results of operations or cash flows. See "— Note 9 — Fair Value Measurements" for disclosures required by this standard.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Liabilities Including an Amendment of FASB Statement No. 115." Under SFAS No. 159, the Company may elect to measure many financial instruments and certain other items at fair value, which are not otherwise currently required to be measured at fair value. The decision to measure items at fair value is made at specific election dates on an irrevocable instrument-by-instrument basis and requires recognition of the changes in fair value in earnings and expensing upfront costs and fees associated with the item for which the fair value option is elected. Fair value instruments for which the fair value option has been elected and similar instruments measured using another measurement attribute are to be distinguished on the face of the statement of financial position. SFAS No. 159 is

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our Macao gaming subconcession, and our investment to date on these developments could be lost. We believe that if we are not able to complete the development of parcel 3 by the deadline, we will be able to obtain an extension of the deadline; however, no assurances can be given that an extension will be granted by the Macao government.

Singapore Development Project

In August 2006, our wholly-owned subsidiary, Marina Bay Sands Pte. Ltd. ("MBS"), entered into a development agreement (the "Development Agreement") with the Singapore Tourism Board (the "STB") to build and operate an integrated resort called the Marina Bay Sands in Singapore. The Marina Bay Sands is expected to include three 50+ story hotel towers (totaling approximately 2,600 rooms), a casino, an enclosed retail, dining and entertainment complex of approximately 750,000 net leasable square feet, a convention center and meeting room complex of approximately 1.3 million square feet, theaters and a landmark iconic structure at the bay-front promenade that will contain an art/science museum. We are continuing to finalize various design aspects of the integrated resort and are in the process of finalizing our cost estimates for the project. We expect the cost to build the Marina Bay Sands will be approximately 7.15 Singapore Dollars ("SGD," approximately \$4.99 billion at exchange rates in effect on September 30, 2008), which excludes FF&E, pre-opening and other costs but includes payments made in 2006 for land premium, taxes and other fees. As we have obtained Singapore-denominated financing and primarily pay our costs in Singapore Dollars, our exposure to foreign exchange gains/losses is expected to be minimal. We have spent approximately SGD 2.59 billion (approximately \$1.81 billion at exchange rates in effect on September 30, 2008) in construction costs as of September 30, 2008. Based on our current development plan, we intend to continue construction on our existing timeline with the majority of the project targeted to open in late 2009.

Hengqin Island Development Project

We have entered into a non-binding letter of intent with the Zhuhai Municipal People's Government of the People's Republic of China to work together to create a master plan for, and develop, a leisure and convention destination resort on Hengqin Island, which is located within mainland China, approximately one mile from the Cotai Strip. In January 2007, we were informed that the Zhuhai Government established a Project Coordination Committee to act as a government liaison empowered to work directly with us to advance the development of the project. On November 10, 2008, we announced the indefinite suspension of the project because of the difficult global economic and credit market environment.

Other Development Projects

We are currently exploring the possibility of developing and operating additional properties, including integrated resorts, in additional Asian and U.S. jurisdictions, and in Europe. In July 2008, we withdrew our previously submitted application to develop a casino resort in the Kansas City, Kansas, metropolitan area.

Recent Developments

Recent Corporate Governance Changes

On October 29, 2008, certain members of our management team, including Sheldon G. Adelson, Chairman of the Board and Chief Executive Officer, William P. Weidner, President and Chief Operating Officer, Bradley H. Stone, Executive Vice President, and Robert G. Goldstein, Senior Vice President (the "Senior Management Members"), recommended to our board of directors that it institute additional corporate policies and procedures. Upon such recommendation, our board of directors formed an executive committee (the "Executive Committee") comprised of Irwin Chafetz, Michael A. Leven and Irwin A. Siegel, with Mr. Leven being the Chairman of the Executive Committee. The role of the Executive Committee is to exercise the powers of the board of directors in between scheduled board meetings, including the power to resolve disagreements among management. Also, the board of directors gave Mr. Stone the additional responsibilities of President of Construction and Operations. The board of directors adopted these measures to address governance concerns raised by the Senior Management Members, address a number of outstanding differences between our Chief Executive Officer and other Senior Management Members and in response to a loss of confidence by certain Senior Management Members in the management of the Company and our governance process.

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Other Factors Effecting Earnings

Interest income for the nine months ended September 30, 2008, was \$11.8 million, a decrease of \$49.1 million as compared to \$60.9 million for the nine months ended September 30, 2007. The decrease was attributable to a reduction in invested cash balances, primarily from our borrowings under the U.S. senior secured credit facility and the Macao credit facility, which was spent on construction-related activities.

Other income for the nine months ended September 30, 2008, was \$11.6 million, an increase of \$3.9 million as compared to other income of \$7.7 million for the nine months ended September 30, 2007. The income was primarily attributable to foreign exchange gains/losses associated with U.S. denominated debt held in Macao, offset by the change in fair value of our Singapore interest rate caps entered into in 2008.

Our reported income tax rate for the nine months ended September 30, 2008, was (25.6%) as compared to 17.2% for the nine months ended September 30, 2007. The reported income tax rate changed due to geographic income mix and the temporary income tax exemption in Macao on gaming operations, which is set to expire at the end of 2013.

Liquidity and Capital Resources

Cash Flows — Summary

Our cash flows consisted of the following:

	Nine Months Ended September 30,	
	2008	2007
	(In thousands)	
Net cash provided by operations	\$ 217,143	\$ 219,243
Investing cash flows:		
Change in restricted cash	174,297	694,682
Capital expenditures	(2,908,396)	(2,722,067)
Acquisition of gaming license included in other assets	—	(50,000)
Net cash used in investing activities	(2,734,099)	(2,077,385)
Financing cash flows:		
Proceeds from convertible senior notes from related party	475,000	—
Proceeds from long-term debt	4,002,320	4,875,501
Repayments of long-term debt	(1,713,098)	(1,766,189)
Other	159,840	(42,451)
Net cash provided by financing activities	2,924,062	3,066,861
Effect of exchange rate on cash	11,719	2,862
Net increase in cash and cash equivalents	\$ 418,825	\$ 1,211,581

Cash Flows — Operating Activities

Table games play at our Las Vegas properties is conducted on a cash and credit basis while table games play at our Macao properties is conducted primarily on a cash 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 provided by operating activities for the nine months ended September 30, 2008, was \$217.1 million, a slight decrease of \$2.1 million as compared with \$219.2 million for the nine months ended September 30, 2007. The primary factors contributing to this decrease was the significant increase in our accounts receivables (due to the gaming activity at our Las Vegas Operations and an increase in our granting of casino credit at our Macao properties), offset by the \$208.6 million in land concession payments made for our Cotai Strip parcels 1, 2 and 3.

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made during the nine months ended September 30, 2007, and the \$48.8 million in deferred rent related to the sale of The Shoppes at The Palazzo received during the nine months ended September 30, 2008. .

Cash Flows — Investing Activities

Capital expenditures for the nine months ended September 30, 2008, totaled \$2.91 billion, including \$1.52 billion for construction and development activities in Macao (including Sands Macao, The Venetian Macao, Four Seasons Macao and our other Cotai Strip developments); \$543.2 million for construction and development activities at our Las Vegas Operating Properties; \$574.8 million for construction and development activities in Singapore; and \$269.3 million for corporate and other activities, primarily for the construction of Sands Bethlehem and the St. Regis Residences.

Restricted cash decreased \$174.3 million due primarily to a decrease in restricted cash in Singapore as we made construction payments related to Marina Bay Sands.

Cash Flows — Financing Activities

For the nine months ended September 30, 2008, net cash flows provided from financing activities were \$2.92 billion. The net increase was primarily attributable to the net borrowings of \$1.35 billion under the new U.S. senior secured credit facility and \$228.4 million under the Singapore credit facilities, borrowings of \$442.7 million under the Macao credit facilities and \$176.7 million under the ferry financing credit facility, and \$475.0 million and \$243.9 million in proceeds received from the sale of our convertible senior notes and The Shoppes at The Palazzo, respectively. Refer to "Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 7 — Mall Sale."

Development Financing Strategy

We held unrestricted and restricted cash and cash equivalents of approximately \$1.28 billion and \$239.1 million, respectively, as of September 30, 2008. As previously described, we have a number of significant development projects in the United States, Macao and Singapore, some of which we plan to temporarily or indefinitely suspend due to current conditions in the global capital markets and overall decline in general economic conditions, which have had an impact on our ongoing operations. Through September 30, 2008, we have principally funded our development projects through borrowings under the bank credit facilities of our operating subsidiaries, operating cash flows and proceeds from the disposition of non-core assets. In 2007, we began to execute our financing strategy to secure additional borrowing capacity to fund our existing and future development projects and operations in Asia, including Macao and Singapore, and the United States. In the near term, we will seek to borrow significant amounts under our existing and potential future bank credit facilities, if available, or raise equity capital as we fund components of our revised development strategy and, as further described below, will require additional capital to fund the completion of our projects. If we are unable to raise additional capital in the near term, we would need to consider further suspending portions, if not all, of our remaining global development projects.

In April 2007, we increased the size of our Macao credit facility from \$2.5 billion to \$3.3 billion to continue funding the development of The Venetian Macao and the Four Seasons Macao as well as portions of our other Macao development projects. As of September 30, 2008, we have fully drawn the revolving facility of the Macao credit facility and we had construction payables of approximately \$385.5 million related to our Macao development projects. We expect to incur additional construction costs of \$337 million to complete the Four Seasons Private Apartments and the remaining portions of the Four Seasons Macao by the third quarter of 2009. In addition, we expect to incur additional costs, including FF&E, pre-opening, land premium and other costs, of approximately \$126 million (some of which relates to FF&E costs that will be recouped in connection with the sale of the Four Seasons Private Apartments). In the near term, cash balances at our Macao subsidiaries, operating cash flows from Sands Macao, The Venetian Macao and Four Seasons Macao, and cash from LVSC, if available, together with proceeds from borrowings under our U.S. senior secured credit facility, if available, will be used to fund these amounts. We were in the process of arranging up to \$5.25 billion of secured bank financing, the proceeds of which would have been used to refinance the amount currently outstanding under the Macao credit facility and to provide incremental borrowings to fund the Four Seasons Private Apartments, the completion of the Four Seasons Macao and the development of parcels 5 and 6, and to continue funding our other Cotai Strip development projects; however, given the conditions in the global credit markets, we were unable to reach arrangements with our

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prospective lenders. As a result, we plan to temporarily suspend construction on parcels 5 and 6, until project-level financing is obtained, which we are currently pursuing and target to complete in the next three to six months; however, there can be no assurance that such financing will be obtained. Additional financing will be required to complete the development and construction of parcels 7, 8 and 3, once those construction activities commence.

In May 2007, we entered into a \$5.0 billion U.S. senior secured credit facility with respect to our Las Vegas operations. A portion of the proceeds from this facility was used to refinance the indebtedness collateralized by our Las Vegas integrated resort, including The Venetian Las Vegas, The Palazzo, The Shoppes at The Palazzo and Sands Expo Center, and to fund the design, development and construction costs incurred in connection with the completion of The Palazzo, The Shoppes at The Palazzo, St. Regis Residences and Sands Bethlehem. As of September 30, 2008, we had approximately \$601.1 million of available borrowing capacity, net of outstanding letters of credit but including approximately \$7.7 million committed to be funded by Lehman Brothers Commercial Paper Inc. The U.S. senior secured credit facility permits us to make investments in certain of our subsidiaries and certain joint ventures not party to the U.S. senior secured credit facility, including our foreign subsidiaries and our other development projects outside of Las Vegas, in an amount not to exceed \$2.1 billion, and also permits us to invest in our Sands Bethlehem project so long as no more than 30% of any such investment is in the form of an equity contribution to the project, with the balance to be in the form of a secured intercompany loan. As of September 30, 2008, we have invested approximately \$1.7 billion of the permitted \$2.1 billion to fund a portion of our required equity contribution to the Marina Bay Sands project and investments with respect to our other development projects, including in Macao. As announced on November 10, 2008, with the delayed development of the St. Regis Residences and our focus on the construction of the casino and parking components of Sands Bethlehem, we expect to incur additional construction costs of approximately \$95 million and \$282 million, respectively. We also expect to incur \$145 million in additional costs to open the casino component of Sands Bethlehem, including FF&E, pre-opening and other costs. We will continue to use excess operating cash flows, proceeds from the sale of non-core assets, such as The Shoppes at The Palazzo, cash contributed by LVSC, if available, and proceeds from borrowings under the U.S. senior secured credit facility, if available, to fund our revised development strategy, as well as construction costs incurred in Macao and our required equity contributions to the Marina Bay Sands.

In December 2007, we entered into a SGD 5.44 billion credit facility (approximately \$3.80 billion at exchange rates in effect on September 30, 2008) to fund development and construction costs and expenses at the Marina Bay Sands, which closed and funded in January 2008. A portion of the proceeds from this facility, together with a portion of our initial SGD 800.0 million (approximately \$558.4 million at exchange rates in effect on September 30, 2008) equity contribution, were used to repay outstanding borrowings of \$1.32 billion under our Singapore bridge facility. As of September 30, 2008, we had SGD 2.86 billion (approximately \$2.0 billion at exchange rates in effect on September 30, 2008) available for borrowing, net of outstanding banker's guarantees and undrawn amounts committed to be funded by Lehman Brothers Finance Asia Pte. Ltd., under the Singapore credit facility, which will be used to fund a significant portion of the design, development and construction costs of the Marina Bay Sands project. Subsequent to September 30, 2008, we have drawn an additional SGD 161.5 million (approximately \$112.7 million at exchange rates in effect on September 30, 2008) under the Singapore credit facility and have contributed additional equity of SGD 100.0 million (approximately \$69.8 million at exchange rates in effect on September 30, 2008). Under the terms of the Singapore credit facility, we are obligated to fund at least 20% of the total costs and expenses incurred in connection with the design, development and construction of the Marina Bay Sands project with equity contributions or subordinated intercompany loans, with the remaining 80% funded with debt, including debt under the Singapore credit facility. Through September 30, 2008, we have funded our equity contribution requirement through borrowings under our U.S. senior secured credit facility and operating cash flows generated from our Las Vegas operations. Based on our current development plans, we intend to continue construction on Marina Bay Sands on our existing timeline. Additional financings are planned to complete the development and construction of the Marina Bay Sands; however, there can be no assurance that such financing will be obtained when planned.

Commencing September 30, 2008, the U.S. senior secured credit facility and FF&E financings require our Las Vegas operations to comply with certain financial covenants at the end of each quarter, including to maintain 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"). In order to comply with the maximum leverage ratio covenant as of December 31, 2008, and subsequent quarterly periods, we will need to (i) achieve

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increased levels of Adjusted EBITDA at our Las Vegas properties; (ii) decrease the rate of spending on our global development projects; (iii) obtain additional financing at our parent company level, the proceeds from which could be used to reduce our Las Vegas operations' net debt; (iv) elect to contribute up to \$50.0 million of capital from cash on hand to our Las Vegas operations (such contribution having the effect of increasing Adjusted EBITDA by up to \$50.0 million per quarter for purposes of calculating maximum leverage (the "EBITDA true-up")); or in some cases (v) a combination thereof.

As our Las Vegas properties did not achieve the levels of Adjusted EBITDA necessary to maintain compliance with the maximum leverage ratio for the quarterly period ending September 30, 2008, we completed a private placement of \$475.0 million in convertible senior notes with our principal stockholder and his family and used a portion of the proceeds to exercise the EBITDA true-up provision. The EBITDA true-up, by itself, would not have been sufficient to maintain compliance with the maximum leverage ratio as of September 30, 2008. Accordingly, the entire proceeds from the offering were immediately contributed to Las Vegas Sands, LLC ("LVSLLC") to reduce the net debt of the parties to the domestic credit facilities in order to maintain compliance with the maximum leverage ratio for the quarterly period ending September 30, 2008.

Based upon current Las Vegas operating estimates for the quarter ending December 31, 2008 and quarterly periods during 2009, as well as the fact that we have continued to fund our development projects outside of Las Vegas, in whole or in part, with borrowings under the U.S. senior secured credit facility, we expect the amount of our material domestic subsidiaries' indebtedness will be beyond the level allowed under the maximum leverage ratio. If our Las Vegas Adjusted EBITDA levels do not increase sufficiently, our reduced spending on our revised global development projects, as described above, is not sufficient, and the EBITDA true-up is not sufficient or available to enable us to maintain compliance under the maximum leverage ratio, we will need to obtain significant additional capital at the parent level. As previously announced, we have been working with our financial advisor to develop and implement a capital raising program that we believe would be sufficient to address our current and anticipated funding needs; however, no assurance can be given that the program will be successful. If none of the foregoing occurs, we would need to obtain waivers or amendments under our domestic credit facilities, and no assurances can be given that we will be able to obtain these waivers or amendments. If we are unable to obtain waivers or amendments if and when necessary, we would be in default under our domestic credit facilities, which would trigger cross-defaults under our airplane financings and convertible senior notes. If such defaults or cross-defaults were to occur and the respective lenders chose to accelerate the indebtedness outstanding under these agreements, it would result in a default under our senior notes. 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 right to accelerate the indebtedness outstanding, there can be no assurance that we would be able to refinance any amounts that may become accelerated under such agreements. Under the terms of the U.S. senior secured credit facility, if a default or a material adverse change, as defined in the agreement, were to occur or exist at the time of borrowing, it would preclude our domestic subsidiaries from accessing any available borrowings (including the \$400.0 million under the Delayed Draw II Facility, which expires November 23, 2008, and \$201.1 million under the Revolving Facility). If we are not able to access these borrowings and raise sufficient additional capital, (i) we will not be able to fund our ongoing equity contributions under our Singapore credit facility, and as a result, will not be able to borrow any additional amounts under that facility, which may limit our ability to complete construction of the project, (ii) as we have fully drawn the revolving portion of our Macao credit facility, we will not be able to pay the remaining construction costs of the Four Seasons Macao and Four Seasons Private Apartments if free cash flow from the Sands Macao, The Venetian Macao and Four Season Macao is not sufficient to pay those costs, (iii) we may be unable to comply with the maximum leverage ratio covenant under we Macao credit facility at the end of the first quarter of 2009, which would result in a default under the agreement and would allow the lenders to exercise their rights and remedies under the agreement including acceleration of the indebtedness outstanding, (iv) we may not be able to continue providing working capital to our ferry operations, and (v) we would need to immediately suspend portions, if not all, of our ongoing global development projects. These factors raise a substantial doubt about our ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Exhibit G



Las Vegas Sands Is A Bad Bet (LVS)

August 04, 2008 | by Glenn Curtis

A little over a month ago, I penned an article discussing what I perceived to be the shortcomings of casino operator **Las Vegas Sands** (NYSE: LVS). Among my concerns were the risks I saw in the Las Vegas and Macau markets, where the company operates. I also mentioned that declining estimates could potentially scare off investors.

I'm still pretty bearish on the company and I think that the shares should be avoided in the near term. Why? Let's take a look at the company's second-quarter earnings release, issued July 30.

The Miss Comes at the Wrong Time

In the period ended June 30, the Las Vegas-based company reported a net loss under GAAP of about \$8.8 million, or 2 cents per share. For those keeping track, that's much lower than the roughly \$34.4 million, or 10 cents per share, it turned in during the same period last year.

However, according to the company's press release, "adjusted net income (excluding loss on disposal of assets, pre-opening expense, development expense and loss on early retirement of debt) was \$30.9 million, or adjusted earnings per diluted share of 9 cents." That's better than the GAAP numbers, but unfortunately, analysts were looking for 12 cents per share.

A 3-cent EPS miss isn't the end of the world, but I do think it's bad news for the company in the short term.

All Bets Are Off

First and foremost, the company missed its first-quarter estimate and the fourth-quarter estimate before that as well. The market tends to have a short memory span, but not that short. As such, this miss may leave a bad taste in a lot of investors' mouths, which may cause fence-sitting investors or bottom fishers to back off the stock.

Second, I think that this miss could cause some anxious existing shareholders to bail, and may also exacerbate tax loss selling. As such, I think that the shares could get pummeled big time toward the end of the year. Just look at the precipitous decline in the stock's price on a one-year chart and think about the huge losses some shareholders have likely already racked up. (For related reading, see The Art Of Cutting Your Losses.)

It's a Vegas Problem, Baby

Las Vegas is a major revenue contributor for Las Vegas Sands. In fact, as per its earning release in the latest quarter, Vegas operations constituted about 31.3% of revenue.

In a rapidly growing domestic economy, that's probably OK. After all, Vegas has done quite nicely over the years. But given that American consumers seem to be quite reluctant to spend these days, I think the Sands' Vegas revenue stream could be in for some tough times.

In addition, some of the news the company is issuing about Vegas is less than encouraging. For example, as reported by Reuters on July 30, the company's COO William Weidner said in the recent quarter's earnings call that Vegas "may remain challenging for an extended period." It's also important to note that LVS is not entirely alone in its struggles in Vegas. In fact, other industry stalwarts including **MGM Mirage** (NYSE: MGM) and **Wynn** (Nasdaq: WYNN) have had their share of troubles in Sin City, as evidenced by recent earnings results showing declining year-over-year revenues from their Vegas operations.

So, because I don't see any real catalysts in the near-term horizon in that domestic market, I can't help but think that the stock is likely to languish going forward. I also think that there's a chance that we could see earnings estimates for the full year get dragged down by Vegas as well, which would only fuel the bearish case for this stock.

Bottom Line

Las Vegas Sands' second-quarter results were a bit of a turnoff. The miss comes at a bad time, and I'm concerned about the company's exposure to Vegas. Long story short, the stock looks like a bad bet right now, and I plan to avoid these shares.

By Glenn Curtis

Glenn Curtis started his career in the 1990s as an equity analyst for a regional firm in New Jersey. There, he covered companies in the technology, entertainment, and gaming industries. Curtis has since worked as a financial writer at a series of both web and print publications, including TheStreet.com and *Registered Rep Magazine*. He has held his series 6, 7, 24, and 63 securities licenses. At the time of writing Glenn Curtis did not own shares in any of the companies mentioned in this article.

on Yahoo!

Exhibit H



Market Scan

Adelson Antes Up For Sands

Miriam Marcus, 11.11.08, 7:55 PM ET

It seems Sheldon Adelson is willing to ante up a significant financial contribution to keep his ailing Las Vegas Sands casino company in the game. With hungry lenders at the door, the company on Tuesday announced plans to raise \$2.1 billion in badly needed capital with help from the billionaire, its majority shareholder.

Las Vegas Sands said it priced a public offering of 181.8 million common shares at \$5.50 per share, and that it will sell Adelson and his family 5.3 million units consisting of shares of preferred stock and warrants to buy common. The units, whose warrants allow the Adelson's to buy 86.6 million additional shares of stock at \$6 a share, were priced at \$100 each, and an additional 5.2 million are being offered to the public at the same price.

As part of the deal, the Adelson family agreed to convert \$475.0 million of notes due in 2013 into stock at \$5.50 a share, reducing the company's debt load.

The casino company, which has been badgered by a weakening economy and the global credit crunch, warned last week it was in danger of violating loan agreements and said on Monday it would suspend construction on a project in Macau as it copes with limited financing options.

"It clearly points to the fact that the company is in a do-or-die situation," said Sumit Desai, a gaming industry analyst at Morningstar. "What they are doing," he said, "will probably determine whether or not the company actually goes under or whether it can remain as a going concern and as a viable company. I think the equity offering is going to be massively dilutive to existing shareholders."

The early indications were good for the company if tepid for its long-term owners. The stock had been trading as low as \$5.05 during the Tuesday session, but ended the day at \$6.62. That was still down 17.3%, or \$1.38, on the session, but it was well above the offering price of the secondary issue, and even above the exercise price of the warrants attached to the preferred. So it seems that investors were giving a vote of confidence to the company's plans, though that confidence was doubtlessly tempered by the knowledge that the shares were trading above \$122 less than a year ago.

Sagging U.S. consumer spending power has hurt business in Las Vegas, where Sands operates the Palazzo and Venetian resorts, as well as the Sands Expo and Convention Center. The Venetian stands on the site of the old Sands casino-hotel.

The action follows Sands' announcement last week that it is in danger of defaulting on \$5.2 billion in credit facilities secured by its Las Vegas operations, as well as Monday's reporting of weaker-than-expected third-quarter results and suspension of several projects, including its \$600 million St. Regis condominium tower in Las Vegas and two sites on the Cotai Strip in Macau.

Sands said it intends to use proceeds from the offerings for general corporate purposes, which may include debt repayment and financing of its development projects.

The convertible note agreement with Adelson would normally require approval of shareholders. However, Sands said its audit committee decided that any delay caused by securing shareholder approval would "seriously jeopardize the ability to complete the offerings as well as the financial viability of the company."

So under an exception in the New York Stock Exchange's shareholder approval policy, the audit committee "approved the company's omission to seek shareholder approval that would otherwise have been required."

Reuters contributed to this article.

Exhibit I

5.10 ▼ -0.05 -0.97%

Open: 5.32 High: 5.34 Low: 5.05

Previous Close: 5.15 Volume: 4,548,385

Eastern Time

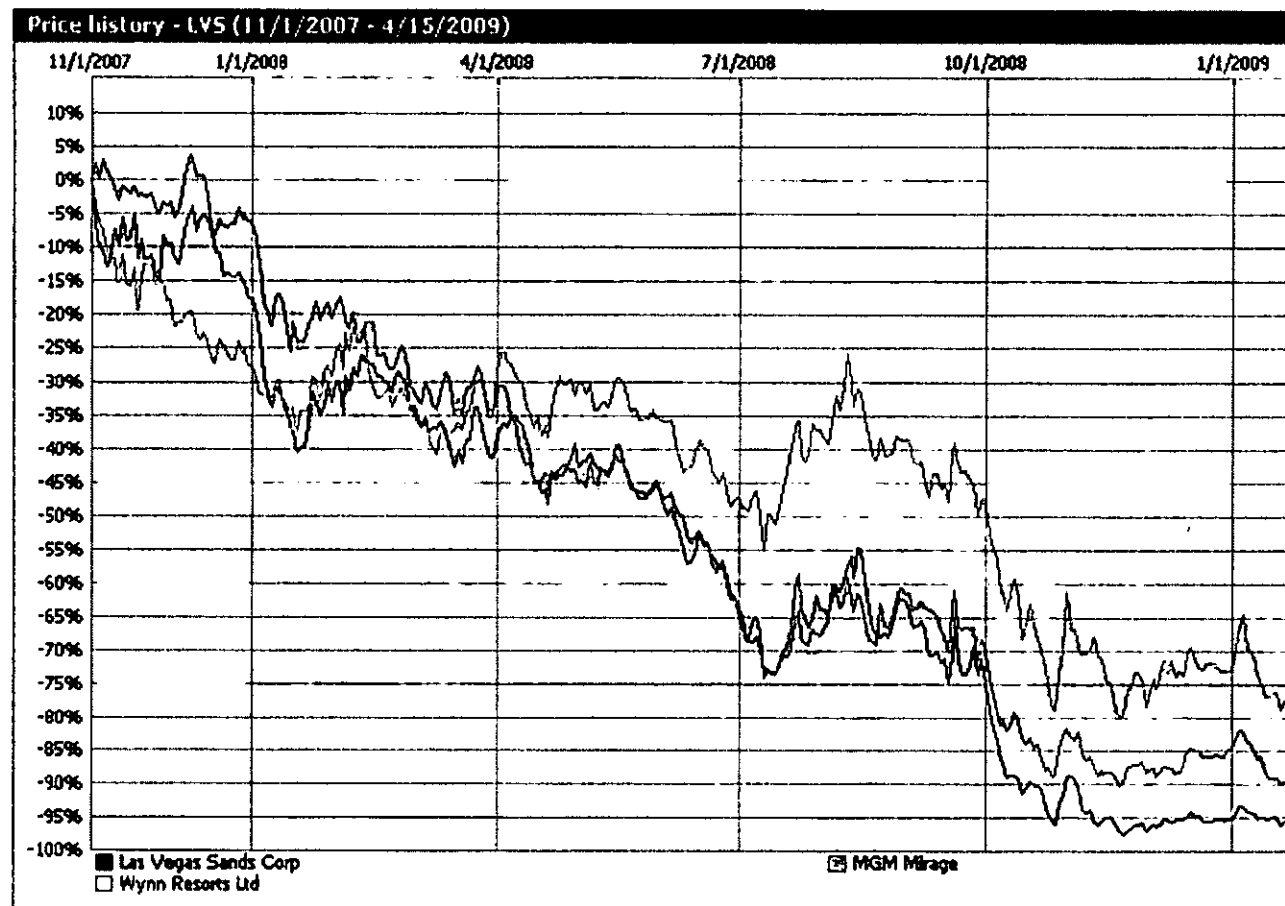


Exhibit J

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AP

S&P keeps Las Vegas Sands ratings under review

Wednesday October 1, 4:05 pm ET

S&P keeps Las Vegas Sands ratings under review for possible downgrade

PHILADELPHIA (AP) -- Standard & Poor's Ratings Services is keeping Las Vegas Sands Corp.'s ratings under review for potential downgrade in spite of a \$475 million cash infusion into the hotel and casino operator.

Billionaire Sheldon Adelson said Tuesday that he was buying convertible senior notes due October 2013 in a private transaction to avoid violating lender covenants. The debt pays an interest rate of 6.5 percent and convert into common shares at a price of \$49.65.

S&P said the \$475 million investment addresses short-term concerns about liquidity.

But the ratings agency remains concerned about the Las Vegas-based company's overall liquidity position, continued weak performance on the Las Vegas Strip and a possible "significant" slowdown in the Chinese gambling enclave of Macau.

At the same time, S&P noted, the company wants to borrow a lot of money for developments.

Shares of the company fell \$4.79, or 13.3 percent, to close at \$31.32, after earlier touching a low of \$30.11, a level not seen since October 2005.

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Exhibit K

YAHOO! FINANCE

Las Vegas Sands says it's ready for future

Las Vegas Sands says it's ready for future, accountants declare it a going concern

Oskar Garcia, Associated Press Writer
Monday November 17 2008, 6:51 pm EST

LAS VEGAS (AP) — Worries about whether Las Vegas Sands Corp. would fold have been eased with the raising of \$2.1 billion in new capital, but the casino company's president said Monday that it should have raised the money sooner.

"We had to do what we had to do to put ourselves in a position to survive," said William Weidner, the company's president and chief operating officer, told a forum for investors late Monday.

In a filing with the Securities and Exchange Commission Monday, the company said its independent accountants, PricewaterhouseCoopers LLP, improved their view of Sands to "going concern," based on Sands' sale of common stock and preferred stock with warrants.

The company has been struggling with its balance sheet since at least September, when CEO and founder Sheldon Adelson and his wife, Miriam Adelson, invested \$475 million in the company to keep it in compliance with debt obligations.

When asked why Sands didn't raise the needed capital sooner, Weidner said: "It was a matter of robust debate within the organization. There are several of us who have very strong opinions.... It was pretty much a monumental screw-up."

Las Vegas Sands revealed in-house conflicts last week in an SEC filing where it said its board created a committee to evaluate the company's decision-making and resolve disputes between Adelson and other senior managers.

Last week's filing said the committee is to address "a loss of confidence" by managers in how the company is being run.

"I think you can think of it as a junkyard dog fight," Weidner said.

But he said the infighting was similar to what happens at other companies.

"The board wanted to have more involvement in the process and we welcomed that," Weidner said. "We could use more financial brainpower in the process as well."

Las Vegas Sands also said it reissued 2007 financials and now feels it has enough liquidity and capital resources to fund ongoing operations and fulfill its new development plans.

Friday, Las Vegas Sands said it sold 200 million common shares for \$5.50 apiece for \$1.1 billion, which included 18.2 million shares purchased by the underwriters. The company also sold 5.2 million units consisting of one share of preferred stock plus a warrant to buy stock at \$6 a share. The units sold for

\$100 each.

The Adelsons purchased roughly 5.25 million shares of preferred stock and warrants at the same terms as the public offering. The warrants included in the public offering and sale to the Adelsons could raise an additional \$1.04 billion. They also converted the \$475 million in notes they purchased last month into 86.4 million common shares at a conversion price of \$5.50 apiece.

Las Vegas Sands did not seek shareholder approval for its financing plan, claiming an exception in New York Stock Exchange rules, even though it more than doubles the number of outstanding shares and significantly dilutes shareholder value.

The company warned that any delay caused by getting shareholder approval "would seriously jeopardize the ability to complete the offerings as well as the financial viability of the company."

Las Vegas Sands said it planned to use proceeds to help fund construction and development projects, which it said would be significantly slowed down. Last week, the company said it would suspend construction at its \$600 million St. Regis condominium tower in Las Vegas and two sites on the Cotai Strip in Macau.

Weidner said Monday that the company was planning to cut its costs by \$100 million or more to compensate for declining revenues in Las Vegas.

Delaying construction is not uncommon these days, as several other casino operators have scaled back or abandoned development plans due to economic and credit conditions. Boyd Gaming Corp. recently postponed work on its \$4.8 billion Echelon resort in Las Vegas, while MGM Mirage's default rating was downgraded by Fitch Ratings partly due to the company's difficulty paying for the \$9.2 billion CityCenter complex in Las Vegas.

Shares in Las Vegas Sands ended trading at \$6.35 Monday, down 18 cents, or 2.8 percent.

Las Vegas Sands Corp.: <http://www.lasvegassands.com>

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Exhibit L

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AP

Sands' Adelson to partake in capital program

Friday October 24, 11:18 am ET

By Michelle Chapman, AP Business Writer

Las Vegas Sands' Adelson, family to partake in capital raising program under development

LAS VEGAS (AP) -- Las Vegas Sands Corp. said Friday that Chairman and Chief Executive Sheldon Adelson and his family plan to take part in a capital raising program with an unnamed investment banking company.

The casino operator said more details about the program will be disclosed "in the very near future."

The casino industry has been pressured as consumers continue to tighten spending due to the ongoing housing slowdown, diminishing credit, rising food costs and recession fears.

Las Vegas Sands Corp. shares fell \$1.24, or 15.1 percent, to \$6.97 in midday trading. The stock hit a new low for a second straight day, reaching \$5.80 earlier in the session. A year ago the shares traded as high as \$148.76.

Steven Wieczynski of Stifel Nicolaus & Co. said in a client note that the company's faltering financial position has been the biggest overhang on the stock. He believes investors are selling shares because the current credit crisis has raised fears that "Las Vegas Sands is in jeopardy of running out of cash and going bankrupt."

A representative for Las Vegas Sands could not be immediately reached for comment.

Thomas Weisel Partners' Jake Fuller was a bit more optimistic, saying the company's announcement -- while short on details -- may be viewed as a very modest positive.

"While there is a very real balance sheet risk here, we argue that Las Vegas Sands will be able to dodge a crunch with an infusion from Mr. Adelson, a covenant amendment, securing of project financing or delay of Cotai projects," he wrote.

Fuller reiterated an "Overweight" rating and \$25 price target.

On Wednesday Adelson said in an interview with The Associated Press that the company is looking to raise \$2 billion in debt financing from Asian banks to finish work on some Macau expansion projects. The casino mogul, who controls nearly 70 percent of Las Vegas Sands personally and through family trusts, said that foreign banks are in better shape to participate in such transactions than their U.S. counterparts right now.

Earlier this month Adelson and his wife, Miriam Adelson, loaned Las Vegas Sands \$475 million through a 6.5 percent convertible note due in 2013. The investment helped the operator of the Venetian and Palazzo resorts in Las Vegas and the Sands Macao and the Venetian Macao in China meet its liquidity requirements and avoid triggering a loan covenant.

Many casino companies have started to feel repercussions from the credit crisis. Boyd Gaming Corp. recently postponed work on its \$4.8 billion Echelon resort in Las Vegas. The Las Vegas-based company, whose ratings were lowered by Moody's last week, also suspended its annual cash common dividend.

And on Wednesday MGM Mirage's default rating was downgraded by Fitch Ratings partly due to the company's difficulty paying for the \$9.2 billion CityCenter complex in Las Vegas. The company has reached a deal with lenders to change the terms of \$7 billion in debt.

On Thursday Ameristar Casinos Inc. disclosed in a filing with the Securities and Exchange Commission that it had arranged

an interest rate swap with U.S. Bank National Association in order to change the annual interest rate on a credit agreement from floating to fixed. The casino operator said the transaction would lower the risk associated with the rate for \$600 million of senior secured revolving debt remaining under the credit facility.

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Exhibit M

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

Form 10-K

(Mark
One)

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]**
For the fiscal year ended December 31, 2008
- OR**
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**
For the transition period to

Commission File No. 001-10362

MGM MIRAGE

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

88-0215232
(I.R.S. Employer
Identification Number)

3600 Las Vegas Boulevard South — Las Vegas, Nevada 89109
(Address of principal executive office) (Zip Code)

(702) 693-7120
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$.01 Par Value

**Name of each exchange
on which registered**
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of

the Act. Yes ☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ☒

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant as of June 30, 2008 (based on the closing price on the New York Stock Exchange Composite Tape on June 30, 2008) was \$4.2 billion. As of March 9, 2009, 276,557,345 shares of Registrant's Common Stock, \$.01 par value, were outstanding.

Portions of the Registrant's definitive Proxy Statement for its 2009 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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- The interest rate on outstanding borrowings under the senior credit facility was increased by 100 basis points; and
- Our required equity contributions in CityCenter are limited through May 15, 2009 such that we can only make contributions if Infinity World makes its required contributions; our equity contributions do not exceed specified amounts (though we believe the limitation is in excess of the amounts expected to be required through May 15, 2009); and the CityCenter senior secured credit facility has not been accelerated.

Following expiration of the waiver on May 15, 2009, we will be subject to an event of default related to the expected noncompliance with financial covenants under the senior credit facility at March 31, 2009. We intend to work with our lenders to obtain additional waivers or amendments prior to May 15, 2009 to address future noncompliance with the senior credit facility; however, we can provide no assurance that we will be able to secure such waivers or amendments. The lenders holding at least a majority of the principal amount under our senior credit facility could, among other actions, accelerate the obligation to repay borrowings under our senior credit facility in such an event of default. As a result of such event of default, under certain circumstances, cross defaults could occur under our indentures and the CityCenter \$1.8 billion senior secured credit facility, which could accelerate the obligation to repay amounts outstanding under such indentures and the CityCenter credit facility and could result in termination of the unfunded commitments under the CityCenter credit facility. If the lenders exercise any or all such rights, we or CityCenter may determine to seek relief through a filing under the U.S. Bankruptcy Code.

- *There is substantial doubt about our ability to continue as a going concern*. The uncertainties described above regarding 1) our ability to meet our financial commitments, and 2) our potential noncompliance with financial covenants under our senior credit facility, raise a substantial doubt about our ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should we be unable to continue as a going concern. As a result, the report of our independent registered public accounting firm on our consolidated financial statements for the year ended December 31, 2008 contains an explanatory paragraph with respect to our ability to continue as a going concern. We can provide no assurance that we will be able to secure a waiver or amendment related to potential noncompliance under our senior credit facility or be able to address our 2009 financial commitments in such a way as to be able to continue as a going concern.
- *Current economic conditions adversely impact our ability to service or refinance our indebtedness and to make planned expenditures*. Our ability to make payments on, and to refinance, our indebtedness and to fund planned or committed capital expenditures and investments in joint ventures, such as CityCenter, depends on our ability to generate cash flow in the future and our ability to borrow under our senior credit facility to the extent of available borrowings. If adverse regional and national economic conditions persist, worsen, or fail to improve significantly, we could experience decreased revenues from our operations attributable to decreases in consumer spending levels and could fail to generate sufficient cash to fund our liquidity needs or fail to satisfy the financial and other restrictive covenants which we are subject to under our indebtedness. We cannot provide assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our senior credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

- *Our casinos in Las Vegas and elsewhere are destination resorts that compete with other destination travel locations throughout the United States and the world.* We do not believe that our competition is limited to a particular geographic area, and gaming operations in other states or countries could attract our customers. To the extent that new casinos enter our markets or hotel room capacity is expanded by others in major destination locations, competition will increase. Major competitors, including new entrants, have either recently expanded their hotel room capacity or are currently expanding their capacity or constructing new resorts in Las Vegas. Also, the growth of gaming in areas outside Las Vegas, including California, has increased the competition faced by our operations in Las Vegas and elsewhere. In particular, as large scale gaming operations in Native American tribal lands has increased, particularly in California, competition has increased.

Exhibit N

Las Vegas Sands Updates Transaction Information

LAS VEGAS, Nov. 11 /PRNewswire-FirstCall/ -- On November 10, 2008 Las Vegas Sands Corp. (NYSE: LVS) announced the pricing of its public offering of 181,818,182 shares of common stock, 5,196,300 shares of its 10% Series A Cumulative Perpetual Preferred Stock and warrants to purchase an aggregate of approximately 86,605,173 shares of common stock at an exercise price of \$6.00 per share. Concurrently with this public offering, the Company entered into an agreement with the family of Sheldon G. Adelson, our Chairman and Chief Executive Officer and principal stockholder. Pursuant to this agreement, the Company will issue and sell to the Adelson family 5,250,000 shares of Series A preferred stock and warrants to purchase an aggregate of approximately 87,500,175 shares of common stock at an exercise price of \$6.00 per share, on the same terms as those offered in the underwritten offering. The agreement also requires that the Adelson family convert its 6.5% convertible senior notes due 2013 into shares of the Company's common stock at a conversion price equal to the public offering price of \$5.50 per share for the common stock, which would normally require approval of stockholders according to the Shareholder Approval Policy of the New York Stock Exchange (the "NYSE").

However, after a careful review of the facts, the members of the audit committee of the Company's board of directors have determined that any delay caused by securing shareholder approval prior to the issuance of these shares of common stock in connection with the conversion of the convertible senior notes would seriously jeopardize the ability to complete the offerings as well as the financial viability of the Company. Pursuant to an exception in the NYSE's shareholder approval policy, on November 11, 2008, the Company's audit committee members approved the Company's omission to seek shareholder approval that would otherwise have been required under that policy. In connection with reliance upon this exception, the Company has agreed to mail a letter to all shareholders notifying them of the issuance the shares of common stock upon conversion of the convertible senior notes without prior shareholder approval.

A shelf registration statement relating to the offerings was filed with the Securities and Exchange Commission and became effective on November 6, 2008. This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

A copy of the prospectus relating to the offering may be obtained from Goldman Sachs & Co., Prospectus Department, 85 Broad Street, New York, NY 10004, telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing prospectus-ny@ny.email.gs.com.

Certain additional information provided to investors in connection with the offering is available on the Las Vegas Sands Corp. website, <http://www.lasvegassands.com>, under Investor Relations - Presentations.

Statements in this press release, which are not historical facts, are "forward-looking" statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to general economic conditions, competition, new ventures, government regulation, legalization of gaming, interest rates, future terrorist acts, insurance, and other factors detailed in the reports filed by Las Vegas Sands Corp. with the Securities and Exchange Commission. Las Vegas Sands Corp. assumes no obligation to update such information.

ABOUT LAS VEGAS SANDS CORP.

Las Vegas Sands Corp. (NYSE: LVS) is the leading international developer of multi-use integrated resorts.

The Las Vegas, Nevada-based company owns and operates The Venetian Resort-Hotel-Casino, The Palazzo Resort-Hotel-Casino, and the Sands Expo and Convention Center in Las Vegas and The Venetian Macao Resort-Hotel and the Sands Macao in the People's Republic of China (PRC) Special Administrative Region of Macao. The company also owns the Four Seasons Hotel Macao and is constructing two additional integrated resorts: Sands Casino Resort Bethlehem(TM) in Eastern Pennsylvania; and Marina Bay Sands(TM) in Singapore.

LVS is also creating the Cotai Strip(R), a master-planned development of resort-casino properties in Macao. At completion, the Cotai Strip will feature approximately 21,000 rooms from world-renowned hotel brands such as St. Regis, Sheraton, Shangri-La, Traders, Hilton, Conrad, Fairmont, Raffles, Holiday Inn, and InterContinental.

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Exhibit O

Featured Stories

Sands' Leven: Putting 'Humpty Dumpty together again'

12 March 2009 9:26 AM
By Jeff Higley
Editorial Director
jeff@hotelnewsnow.com

ATLANTA—Mike Leven is making the move from looking after sharks and whales at the Georgia Aquarium to caring for sharks and whales of another variety at various gaming destinations around the world.

Leven, a hotel-industry executive for 45 years before stepping away to become the CEO of the Georgia Aquarium at the beginning of 2007, on Monday was named president and COO of [Las Vegas Sands Corporation](#), a global casino and hotel conglomerate with about 10,000 hotel rooms in its portfolio. He signed a two-year deal with renewal options and will assume the role on April 1. Leven will replace William Weidner, who reportedly lost favor with LVS chairman Sheldon Adelson and resigned under fire on Monday.

Leven, 71 and a member of the LVS board of directors since 2004, told [HotelNewsNow.com](#) on Wednesday that he wasn't actively looking to return to the hospitality industry, but he is looking forward to the challenge.

"No, I wasn't expecting it," he said. "I was asked by the chairman to find potential candidates for the president and COO job if the president and COO left. I looked very hard. I had no intent to do it; it was never on my radar screen. I've been happily running the aquarium. But in the end, none of the candidates we identified, including me, were perfect, but [Adelson] asked me to take the job.



Mike Leven

"[On Tuesday], I went to New York for an investors' conference and getting back into it, I feel energized again."

Leven will assume all operations of the Las Vegas-based company, which owns and operates The Venetian Resort-Hotel-Casino, The Palazzo Resort-Hotel-Casino, and the Sands Expo and Convention Center in Las Vegas and The Venetian Macao Resort-Hotel and the Sands Macao in the People's Republic of China Special Administrative Region of Macau. The company also owns the Four Seasons Hotel Macao and is constructing two additional integrated resorts: Sands Casino Resort Bethlehem in Eastern Pennsylvania, which is scheduled to open in May; and Marina Bay Sands in Singapore, which is scheduled to open late this year or early in 2010.

LVS also is creating the Cotai Strip, a master-planned development of resort-casino properties in Macau that at completion will feature about 21,000 rooms from hotel brands such as St. Regis, Sheraton, Shangri-La, Traders, Hilton, Conrad, Fairmont, Raffles, Holiday Inn, and InterContinental.

Troubling times

Leven is potentially stepping into a hornets' nest. Shares of Sands, which trades on the New York Stock Exchange, closed at US\$1.57 per share on Wednesday after trading at nearly US\$140 per share less than 18 months ago. The recession has kept fewer people from visiting gaming spots and consequently, gaming revenue worldwide is significantly lower than it was a year ago. Still, Leven knows what he's getting into.

"Having been on the board for a little more than four years, I've seen [the company's] good points and not-so-good points," Leven said. "It needs a little more structure a little more systematic way of approaching things."

Leven said the company must also overcome the misperception among the financial and analyst communities that it will have difficulty with upcoming debt covenants.

"There is no question that if you look at the stock price, you'll see that it has been pummeled," he said. "There is a perception the company will have difficulty with debt covenants, and that isn't the case. We pay interest; we have a lot of money in the bank. We have a plan that we are attacking so we can build back that confidence. We will

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concentrate on the two or three things that we have to do to get past the doubts, then we'll put Humpty Dumpty back together again and run the business."

Leven said the plan includes reducing operating costs and selling some non-strategic assets. He declined to name those assets, but published reports have indicated that the assets include two retail malls. Sands owes principal payments of US\$114.6 million this year and US\$197.6 million in 2010.

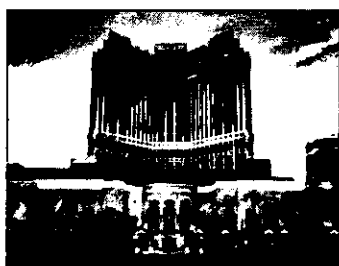
"We feel confident that we can do that. Our challenge is to prove that we're right, and in 2010 we expect that we'll be turned around," he said.

Leven said he's happy to again be part of a publicly-traded company.

"I love it. I'm candid, I know what the rules are and know what I can disclose and can't disclose," he said. "I consider myself to be an enormously ethical guy."

Learning curve

Leven said that even though he has no previous gaming experience, he expects to be successful because in many ways he will apply the lessons learned from his long career in the hotel business to how he runs Sands.



The Palazzo Resort-Hotel-Casino, Las Vegas

"First of all, the casino business is the ultimate in the hospitality business, and you must take care of casino customers in a very special way," he said. "At this stage of my career I consider myself a seasoned manager. Getting your arms around what has to be done in a complicated business like this requires good people around you, which is not much different than at Holiday Inn, Days Inn or Microtel. This is not a company that needs significant operational assistance.

"Learning the areas that I don't know well is a small portion of the job," he added.

He said he has never run a Las Vegas-style casino, but he had exposure to casinos in the Caribbean when he was with Americana Hotels in the 1970s and early '80s.

"Island casinos are a lot different than what we have at Sands, but it's not rocket science," he said. "You have to understand who your customers are and what you have to do for them to take care of them."

The company's 10-K filing said about 65 percent of the gross revenue at its Las Vegas operating properties for fiscal year 2008 was derived from room revenue, food-and-beverage services and other non-gaming sources. However, it's a different story overseas. About 92.5 percent of the gross revenue at the Sands Macao in 2008 was derived from gaming activities, while that number for the Venetian Macao was 78.8 percent and it was 68.4 percent at the Four Seasons Macao.

With 30,000 employees to oversee, Leven said one of his first duties will begin to plan for the additional employees needed at the new properties.

"I'll be meeting in the first week [on the job] with the Singapore people to talk about staffing," he said. "I know enough about how you staff hotels to go through a staffing plan. And the marketing plan. As an operator I like to go through all of that."

Working it out

Leven, who has known Adelson for more than 20 years, said he doesn't expect a significant amount of turnover among other Sands executives. "May be a person here or there," he said. "As I have done in other situations, I will give everybody a chance to commit to the game plan we have to do. Most people survive that, but some people don't like that and naturally leave. If there is turnover at all, I would expect it to not be very much."

Leven served as president and CEO of US Franchise Systems from the time of its founding in the early 1990s until his departure from the hotel industry. Along the way, he took the company public and sold it to Global Hyatt Corp. USFS at the time franchised the Microtel Inns & Suites and Hawthorn Suites brands. Prior to that, Leven was president and COO of Holiday Inn Worldwide and president of Days Inn of America.

The Boston native said his longevity is one reason that he's excited about his new venture.

"I have been through more [economic] cycles than most people who are still working have been through," he said. "In 1973 I had 30 hotels and there was no gas, and that was worse than this. When they opened DFW [Airport] and left Love Field to fend for itself in Dallas, I had 600 rooms to fill and few air travelers to do it. I'm good at overcoming

adversity. The most success I've ever had is when times weren't at their best. So, this doesn't scare me.

"The only thing that scares me is if I don't make my wife [Andrea] happy."

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