

LAS VEGAS SANDS CORP
Form 10-Q
November 05, 2015
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UNITED STATES
SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2015

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

For the transition period from _____ to _____
Commission file number 001-32373

LAS VEGAS SANDS CORP.
(Exact name of registration as specified in its charter)

Nevada 27-0099920
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3355 Las Vegas Boulevard South
Las Vegas, Nevada 89109
(Address of principal executive offices) (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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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 (Do not check if a smaller reporting company) 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 the latest practicable date.

Class Outstanding at November 2, 2015

Common Stock (\$0.001 par value)

795,909,082 shares

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

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ITEM 1 — FINANCIAL STATEMENTSLAS VEGAS SANDS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2015	December 31, 2014
	(In thousands, except share and per share data) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,855,466	\$3,506,319
Restricted cash and cash equivalents	7,514	6,566
Accounts receivable, net	1,315,191	1,510,772
Inventories	39,755	41,674
Prepaid expenses and other	111,297	125,168
Total current assets	3,329,223	5,190,499
Property and equipment, net	15,510,104	15,372,474
Deferred financing costs, net	179,305	205,596
Deferred income taxes, net	29,992	31,720
Leasehold interests in land, net	1,263,390	1,353,090
Intangible assets, net	74,869	86,260
Other assets, net	116,007	122,052
Total assets	\$20,502,890	\$22,361,691
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$96,027	\$112,721
Construction payables	331,850	270,929
Accrued interest payable	9,774	7,943
Other accrued liabilities	1,642,861	1,984,444
Deferred income taxes	14,769	12,522
Income taxes payable	174,687	224,201
Current maturities of long-term debt	94,672	99,734
Total current liabilities	2,364,640	2,712,494
Other long-term liabilities	122,849	124,614
Deferred income taxes	176,076	188,935
Deferred proceeds from sale of The Shoppes at The Palazzo	268,499	268,710
Deferred gain on sale of The Grand Canal Shoppes	35,839	37,968
Deferred rent from mall sale transactions	114,365	115,475
Long-term debt	9,034,271	9,892,913
Total liabilities	12,116,539	13,341,109
Commitments and contingencies (Note 9)		
Equity:		
Common stock, \$0.001 par value, 1,000,000,000 shares authorized, 829,921,359 and 829,280,328 shares issued, 795,863,082 and 798,258,172 shares outstanding	830	829
Treasury stock, at cost, 34,058,277 shares and 31,022,156 shares	(2,382,972)	(2,237,952)
Capital in excess of par value	6,468,902	6,428,762
Accumulated other comprehensive income (loss)	(86,340)	76,101

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Retained earnings	2,891,109	2,945,846
Total Las Vegas Sands Corp. stockholders' equity	6,891,529	7,213,586
Noncontrolling interests	1,494,822	1,806,996
Total equity	8,386,351	9,020,582
Total liabilities and equity	\$20,502,890	\$22,361,691

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

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Table of ContentsLAS VEGAS SANDS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	(In thousands, except share and per share data)			
	(Unaudited)			
Revenues:				
Casino	\$2,242,571	\$2,897,084	\$6,920,757	\$9,281,959
Rooms	379,878	386,867	1,102,550	1,162,205
Food and beverage	188,073	185,821	555,902	582,804
Mall	140,556	150,728	403,652	378,832
Convention, retail and other	129,761	128,458	389,412	391,663
	3,080,839	3,748,958	9,372,273	11,797,463
Less — promotional allowances	(187,156)	(215,836)	(545,547)	(629,607)
Net revenues	2,893,683	3,533,122	8,826,726	11,167,856
Operating expenses:				
Casino	1,249,861	1,634,960	3,900,258	5,192,809
Rooms	67,360	66,301	197,991	194,682
Food and beverage	99,956	95,749	295,740	291,746
Mall	14,739	18,032	45,217	53,104
Convention, retail and other	67,418	68,833	205,640	233,965
Provision for doubtful accounts	32,757	31,103	126,163	142,690
General and administrative	314,117	341,501	954,197	1,005,532
Corporate	37,488	42,704	127,276	138,504
Pre-opening	9,627	(2,414)	29,860	18,027
Development	3,147	3,043	7,028	8,952
Depreciation and amortization	247,698	251,002	750,212	776,065
Amortization of leasehold interests in land	9,737	10,086	29,060	30,152
Loss on disposal of assets	709	801	18,590	4,922
	2,154,614	2,561,701	6,687,232	8,091,150
Operating income	739,069	971,421	2,139,494	3,076,706
Other income (expense):				
Interest income	2,158	5,609	12,598	17,109
Interest expense, net of amounts capitalized	(66,962)	(66,779)	(199,018)	(207,495)
Other income (expense)	16,275	95	31,589	(2,368)
Loss on modification or early retirement of debt	—	(1,978)	—	(19,942)
Income before income taxes	690,540	908,368	1,984,663	2,864,010
Income tax expense	(72,347)	(47,869)	(173,941)	(153,939)
Net income	618,193	860,499	1,810,722	2,710,071
Net income attributable to noncontrolling interests	(98,835)	(188,794)	(310,268)	(590,747)
Net income attributable to Las Vegas Sands Corp.	\$519,358	\$671,705	\$1,500,454	\$2,119,324
Earnings per share:				
Basic	\$0.65	\$0.84	\$1.88	\$2.62
Diluted	\$0.65	\$0.83	\$1.88	\$2.62
Weighted average shares outstanding:				
Basic	796,559,738	803,064,834	797,400,090	808,247,012
Diluted	797,302,248	804,810,589	798,263,294	810,288,616
Dividends declared per common share	\$0.65	\$0.50	\$1.95	\$1.50

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

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	(In thousands)			
	(Unaudited)			
Net income	\$618,193	\$860,499	\$1,810,722	\$2,710,071
Currency translation adjustment, net of reclassification adjustment and before and after tax	(112,314)	(52,349)	(160,902)	(18,151)
Total comprehensive income	505,879	808,150	1,649,820	2,691,920
Comprehensive income attributable to noncontrolling interests	(99,264)	(185,744)	(311,807)	(588,357)
Comprehensive income attributable to Las Vegas Sands Corp.	\$406,615	\$622,406	\$1,338,013	\$2,103,563

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

Table of ContentsLAS VEGAS SANDS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

	Las Vegas Sands Corp. Stockholders' Equity						
	Common Stock	Treasury Stock	Capital in Excess of Par Value	Other Comprehensive Income (Loss)	Accumulated Retained Earnings	Noncontrolling Interests	Total
	(In thousands)						
	(Unaudited)						
Balance at January 1, 2014	\$827	\$(570,520)	\$6,348,065	\$173,783	\$1,713,339	\$1,835,035	\$9,500,529
Net income	—	—	—	—	2,119,324	590,747	2,710,071
Currency translation adjustment	—	—	—	(15,761)	—	(2,390)	(18,151)
Exercise of stock options	2	—	44,058	—	—	4,383	48,443
Stock-based compensation	—	—	34,288	—	—	4,751	39,039
Repurchase of common stock	—	(1,429,861)	—	—	—	—	(1,429,861)
Disposition of interest in majority owned subsidiary	—	—	—	—	—	(487)	(487)
Dividends declared	—	—	—	—	(1,210,250)	(776,570)	(1,986,820)
Distributions to noncontrolling interests	—	—	—	—	—	(7,165)	(7,165)
Balance at September 30, 2014	\$829	\$(2,000,381)	\$6,426,411	\$158,022	\$2,622,413	\$1,648,304	\$8,855,598
Balance at January 1, 2015	\$829	\$(2,237,952)	\$6,428,762	\$76,101	\$2,945,846	\$1,806,996	\$9,020,582
Net income	—	—	—	—	1,500,454	310,268	1,810,722
Currency translation adjustment, net of reclassification adjustment	—	—	—	(162,441)	—	1,539	(160,902)
Exercise of stock options	1	—	11,325	—	—	1,983	13,309
Tax shortfall from stock-based compensation	—	—	(17)	—	—	—	(17)
Conversion of equity awards to liability awards	—	—	(4,282)	—	—	(1,825)	(6,107)
Stock-based compensation	—	—	33,114	—	—	5,129	38,243
Repurchase of common stock	—	(145,020)	—	—	—	—	(145,020)

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Dividends declared	—	—	—	—	(1,555,191)	(619,120)	(2,174,311)
Distributions to noncontrolling interests	—	—	—	—	—	(10,148)	(10,148)
Balance at September 30, 2015	\$ 830	\$(2,382,972)	\$6,468,902	\$(86,340)	\$2,891,109	\$1,494,822	\$8,386,351

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

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2015	2014
	(In thousands)	
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$1,810,722	\$2,710,071
Adjustments to reconcile net income to net cash generated from operating activities:		
Depreciation and amortization	750,212	776,065
Amortization of leasehold interests in land	29,060	30,152
Amortization of deferred financing costs and original issue discount	33,135	40,067
Amortization of deferred gain on and rent from mall sale transactions	(3,239)	(2,848)
Non-cash change in deferred proceeds from sale of The Shoppes at The Palazzo	419	738
Non-cash loss on modification or early retirement of debt	—	15,345
Loss on disposal of assets	18,590	4,922
Stock-based compensation expense	36,533	37,780
Provision for doubtful accounts	126,163	142,690
Foreign exchange gain	(24,312)	(3,437)
Excess tax benefits from stock-based compensation	(2,345)	—
Deferred income taxes	(1,523)	(20,452)
Changes in operating assets and liabilities:		
Accounts receivable	23,348	119,384
Inventories	1,405	(1,193)
Prepaid expenses and other	15,801	(27,882)
Leasehold interests in land	(4,395)	(3,433)
Accounts payable	(14,886)	(9,155)
Accrued interest payable	2,456	(5,069)
Income taxes payable	(32,993)	(27,235)
Other accrued liabilities	(323,665)	(159,014)
Net cash generated from operating activities	2,440,486	3,617,496
Cash flows from investing activities:		
Change in restricted cash and cash equivalents	(941)	313
Capital expenditures	(1,112,967)	(793,114)
Proceeds from disposal of property and equipment	823	1,580
Net cash used in investing activities	(1,113,085)	(791,221)
Cash flows from financing activities:		
Proceeds from exercise of stock options	13,309	48,443
Excess tax benefits from stock-based compensation	2,345	—
Repurchase of common stock	(138,418)	(1,439,231)
Dividends paid	(2,174,223)	(1,986,378)
Distributions to noncontrolling interests	(10,148)	(7,165)
Proceeds from long-term debt (Note 3)	1,759,277	2,247,725
Repayments on long-term debt (Note 3)	(2,373,703)	(2,051,878)
Payments of deferred financing costs	(11,745)	(88,167)
Net cash used in financing activities	(2,933,306)	(3,276,651)
Effect of exchange rate on cash	(44,948)	(2,929)

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Decrease in cash and cash equivalents	(1,650,853) (453,305)
Cash and cash equivalents at beginning of period	3,506,319	3,600,414	
Cash and cash equivalents at end of period	\$1,855,466	\$3,147,109	

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Nine Months Ended September 30,	
	2015	2014
	(In thousands)	
	(Unaudited)	
Supplemental disclosure of cash flow information:		
Cash payments for interest, net of amounts capitalized	\$152,660	\$161,062
Cash payments for taxes, net of refunds	\$196,202	\$194,758
Change in construction payables	\$60,921	\$(164)
Non-cash investing and financing activities:		
Capitalized stock-based compensation costs	\$253	\$1,259
Change in dividends payable included in other accrued liabilities	\$(88)	\$442
Property and equipment acquired under capital lease	\$373	\$—
Disposition of interest in majority owned subsidiary	\$—	\$487
Change in common stock repurchase payable included in other accrued liabilities	\$(6,602)	\$(9,370)
Conversion of equity awards to liability awards	\$6,107	\$—

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1 — ORGANIZATION AND BUSINESS OF COMPANY

The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K of Las Vegas Sands Corp. (“LVSC”), a Nevada corporation, and its subsidiaries (collectively the “Company”) for the year ended December 31, 2014, and have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations; however, the Company believes that the disclosures herein are adequate to make the information presented not misleading. In the opinion of management, all adjustments and normal recurring accruals considered necessary for a fair statement of the results for the interim period have been included. The interim results reflected in the unaudited condensed consolidated financial statements are not necessarily indicative of expected results for the full year. The Company’s common stock is traded on the New York Stock Exchange under the symbol “LVS.”

The ordinary shares of the Company’s subsidiary, Sands China Ltd. (“SCL,” the indirect owner and operator of the majority of the Company’s operations in the Macao Special Administrative Region (“Macao”) of the People’s Republic of China) are listed on The Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”). The shares were not, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered or sold in the U.S. absent a registration under the Securities Act of 1933, as amended, or an applicable exception from such registration requirements.

Operations

Macao

The Company currently owns 70.1% of SCL, which includes the operations of The Venetian Macao, Sands Cotai Central, Four Seasons Macao, Sands Macao and other ancillary operations that support these properties, as further discussed below. The Company operates the gaming areas within these properties pursuant to a 20-year gaming subconcession agreement, which expires in June 2022.

The Company owns and operates The Venetian Macao Resort Hotel (“The Venetian Macao”), which anchors the Cotai Strip, the Company’s master-planned development of integrated resort properties on an area of approximately 140 acres in Macao. The Venetian Macao includes a 39-floor luxury hotel with over 2,900 suites; approximately 376,000 square feet of gaming space; a 15,000-seat arena; an 1,800-seat theater; a mall with retail and dining space of approximately 925,000 square feet; and a convention center and meeting room complex of approximately 1.2 million square feet.

The Company owns the Sands Cotai Central, an integrated resort situated across the street from The Venetian Macao and Four Seasons Macao (which is further described below). The Sands Cotai Central opened in phases, beginning in April 2012. The property currently features three hotel towers: the first hotel tower, consisting of approximately 600 five-star rooms and suites under the Conrad brand and approximately 1,200 four-star rooms and suites under the Holiday Inn brand; the second hotel tower, consisting of approximately 1,800 rooms and suites under the Sheraton brand; and the third hotel tower, consisting of approximately 2,100 rooms and suites under the Sheraton brand. Within Sands Cotai Central, the Company also owns and currently operates approximately 370,000 square feet of gaming space, approximately 350,000 square feet of meeting space and approximately 330,000 square feet of retail space, as well as entertainment and dining facilities. The Company is constructing the remaining phase of the project, which will include a fourth hotel and mixed-use tower under the St. Regis brand that is expected to open at the end of 2015, subject to Macao government approval. The total cost to complete the remaining phase of the project is expected to be approximately \$290 million. Upon completion of the project, the integrated resort will feature approximately 370,000 square feet of gaming space, approximately 800,000 square feet of retail, dining and entertainment space, over 550,000 square feet of meeting facilities and a multipurpose theater. As of September 30, 2015, the Company has capitalized costs of \$4.80 billion for the entire project, including the land premium (net of amortization) and \$79.1

million in outstanding construction payables.

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

The Company owns the Four Seasons Hotel Macao, Cotai Strip (the “Four Seasons Hotel Macao”), which features 360 rooms and suites under the Four Seasons brand and is located adjacent and connected to The Venetian Macao. Connected to the Four Seasons Hotel Macao, the Company owns and operates the Plaza Casino (together with the Four Seasons Hotel Macao, the “Four Seasons Macao”), which features approximately 105,000 square feet of gaming space; 19 Paiza mansions; retail space of approximately 258,000 square feet, which is connected to the mall at The Venetian Macao; several food and beverage offerings; and conference, banquet and other facilities. This integrated resort will also feature the Four Seasons Apartment Hotel Macao, Cotai Strip (the “Four Seasons Apartments”), an apart-hotel tower that consists of approximately 1.0 million square feet of Four Seasons-serviced and -branded luxury apart-hotel units and common areas. The Company has completed the structural work of the tower and is advancing its plans to monetize units within the Four Seasons Apartments.

The Company owns and operates the Sands Macao, the first Las Vegas-style casino in Macao. The Sands Macao offers approximately 241,000 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.

Singapore

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

United States

Las Vegas

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

Pennsylvania

The Company owns and operates the Sands Casino Resort Bethlehem (the “Sands Bethlehem”), a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania. Sands Bethlehem features approximately 145,000 square feet of gaming space; a 300-room hotel tower; a 150,000-square-foot retail facility; an arts and cultural center; and a 50,000-square-foot multipurpose event center. The Company owns 86% of the economic interest in the gaming, hotel and entertainment portion of the property through its ownership interest in Sands Bethworks Gaming LLC and more than 35% of the economic interest in the retail portion of the property through its ownership interest in Sands Bethworks Retail LLC.

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

Development Projects

Macao

The Company submitted plans to the Macao government for The Parisian Macao, an integrated resort that will be connected to The Venetian Macao and Four Seasons Macao. The Parisian Macao is intended to include a gaming area (to be operated under the Company's gaming subconcession), a hotel with over 3,000 rooms and suites and retail, entertainment, dining and meeting facilities. The Company has commenced construction and expects the cost to design, develop and construct The Parisian Macao will be approximately \$2.7 billion, inclusive of payments made for the land premium. As with projects of this nature, the Company will continue to analyze options for both a full and phased opening of the facility, which is anticipated to open in the second half of 2016, subject to Macao government approval. The Company has capitalized costs of \$1.39 billion, including the land premium (net of amortization) and \$161.5 million in outstanding construction payables, as of September 30, 2015. In addition, the Company will be completing the development of some public areas surrounding its Cotai Strip properties on behalf of the Macao government.

Under the Company's land concession for The Parisian Macao, the Company is required to complete the development by April 2016. The land concession for Sands Cotai Central contains a similar requirement, which was extended by the Macao government in April 2014, that the development be completed by December 2016. The Company has applied for an extension from the Macao government to complete The Parisian Macao, as the Company believes it will be unable to meet the April 2016 deadline. Should the Company determine that it is unable to complete Sands Cotai Central by December 2016, the Company would then also expect to apply for another extension from the Macao government. If the Company is unable to meet the Sands Cotai Central deadline and the deadlines for either development are not extended, the Company could lose its land concessions for The Parisian Macao or Sands Cotai Central, which would prohibit the Company from operating any facilities developed under the respective land concessions. As a result, the Company could record a charge for all or some portion of its \$1.39 billion or \$4.80 billion in capitalized construction costs and land premiums (net of amortization), as of September 30, 2015, related to The Parisian Macao and Sands Cotai Central, respectively.

United States

The Company was constructing a high-rise residential condominium tower (the "Las Vegas Condo Tower"), located on the Las Vegas Strip between The Palazzo and The Venetian Las Vegas. The Company suspended construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. The Company intends to recommence construction when demand and conditions improve. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty. Should demand and conditions fail to improve or management decides to abandon the project, the Company could record a charge for some portion of the \$178.6 million in capitalized construction costs as of September 30, 2015.

Other

The Company continues to aggressively pursue new development opportunities globally.

Capital Financing Overview

Through September 30, 2015, the Company has funded its development projects primarily through borrowings under its credit facilities, operating cash flows, proceeds from its equity offerings and proceeds from the disposition of non-core assets.

The Company held unrestricted cash and cash equivalents of \$1.86 billion and restricted cash and cash equivalents of \$7.5 million as of September 30, 2015. The Company believes the cash on hand and cash flow generated from operations will be sufficient to maintain compliance with the financial covenants of its credit facilities. The Company

may elect to arrange additional financing to fund the balance of its Cotai Strip developments. In the normal course of its activities, the Company will continue to evaluate its capital structure and opportunities for enhancements thereof.

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Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standard update on revenue recognition that will be applied to all contracts with customers. The update requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. It also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be required to be applied on a retrospective basis, using one of two methodologies, and will be effective for fiscal years beginning after December 15, 2017, with early application permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently assessing the impact that the guidance will have on the Company's financial condition and results of operations.

In April 2015, the FASB issued an accounting standard update to simplify the presentation of debt issuance costs. The update requires that debt issuance costs be reported as a deduction of the face amount of the related debt (rather than as an asset) and that the amortization of debt issuance costs continue to be reported as interest expense. In August 2015, the FASB issued an accounting standard update to clarify that this guidance is not required to be applied to line-of-credit arrangements. The amendments do not affect the guidance on the recognition and measurement of debt issuance costs. The guidance will be required to be applied on a retrospective basis and will be effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued. The adoption of this guidance will not have a material effect on the Company's financial condition, results of operations or cash flows.

In July 2015, the FASB issued an accounting standard update that requires inventory measured using any method other than last-in, first-out or the retail inventory method, to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. If the net realizable value of inventory is lower than its cost, the difference shall be recognized as a loss during the period in which it occurs. The guidance is effective for fiscal years beginning after December 15, 2016, and should be applied prospectively, with early adoption permitted. The adoption of this guidance will not have a material effect on the Company's financial condition, results of operations or cash flows.

NOTE 2 — PROPERTY AND EQUIPMENT, NET

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

	September 30, 2015	December 31, 2014
Land and improvements	\$547,236	\$551,625
Building and improvements	14,911,094	15,187,427
Furniture, fixtures, equipment and leasehold improvements	3,187,315	3,065,859
Transportation	455,433	454,278
Construction in progress	2,686,644	1,796,554
	21,787,722	21,055,743
Less — accumulated depreciation and amortization	(6,277,618)	(5,683,269)
	\$15,510,104	\$15,372,474

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

	September 30, 2015	December 31, 2014
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The Parisian Macao	\$1,340,716	\$749,176
Sands Cotai Central	575,917	289,518
Four Seasons Macao (principally the Four Seasons Apartments)	427,461	417,920
Other	342,550	339,940
	\$2,686,644	\$1,796,554

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The \$342.6 million in other construction in progress as of September 30, 2015, consists primarily of construction of the Las Vegas Condo Tower and various projects at The Venetian Macao.

In accordance with the April 2004 purchase and sale agreement, as amended, between Venetian Casino Resort, LLC ("VCR") and GGP (the "Amended Agreement"), the Company sold the portion of the Grand Canal Shoppes located within The Palazzo (formerly referred to as "The Shoppes at the Palazzo"). Under the terms of the settlement with GGP on June 24, 2011, the Company retained the \$295.4 million of proceeds previously received and participates in certain potential future revenues earned by GGP. Under generally accepted accounting principles, the transaction has not been accounted for as a sale because the Company's participation in certain potential future revenues constitutes continuing involvement in The Shoppes at The Palazzo. Therefore, \$266.2 million of the proceeds allocated to the mall sale transaction has been recorded as deferred proceeds (a long-term financing obligation), which will accrue interest at an imputed rate and will be offset by (i) imputed rental income and (ii) rent payments made to GGP related to spaces leased back from GGP by the Company. The property and equipment legally sold to GGP totaling \$221.9 million (net of \$89.5 million of accumulated depreciation) as of September 30, 2015, will continue to be recorded on the Company's condensed consolidated balance sheet and will continue to be depreciated in the Company's condensed consolidated statement of operations.

During the three and nine months ended September 30, 2015 and the three and nine months ended September 30, 2014, the Company capitalized interest expense of \$7.1 million, \$16.8 million, \$2.9 million, and \$6.2 million, respectively. During the three and nine months ended September 30, 2015 and the three and nine months ended September 30, 2014, the Company capitalized approximately \$7.0 million, \$22.6 million, \$9.6 million and \$23.7 million, respectively, of internal costs, consisting primarily of compensation expense for individuals directly involved with the development and construction of property.

NOTE 3 — LONG-TERM DEBT

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

	September 30, 2015	December 31, 2014
Corporate and U.S. Related:		
2013 U.S. Credit Facility — Term B (net of original issue discount of \$8,438 and \$9,643, respectively)	\$2,202,188	\$2,217,857
2013 U.S. Credit Facility — Revolving	300,000	1,020,000
Airplane Financings	60,905	63,671
HVAC Equipment Lease	15,510	16,619
Other	168	401
Macao Related:		
2011 VML Credit Facility — Extended Term	2,389,688	2,388,244
2011 VML Credit Facility — Accordion Term	1,000,009	—
2011 VML Credit Facility — Extended Revolving	—	820,024
Other	4,536	5,694
Singapore Related:		
2012 Singapore Credit Facility — Term	3,155,939	3,460,137
	9,128,943	9,992,647
Less — current maturities	(94,672	) (99,734
Total long-term debt	\$9,034,271	\$9,892,913

2013 U.S. Credit Facility

As of September 30, 2015, the Company had \$947.9 million of available borrowing capacity under the 2013 U.S. Revolving Facility, net of outstanding letters of credit.

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2011 VML Credit Facility

In April 2015, the Company entered into a joinder agreement (the "Joinder Agreement") to the 2011 VML Credit Facility. Under the Joinder Agreement, certain lenders agreed to provide term loan commitments of \$1.0 billion (the "2011 VML Accordion Term"), which was funded on April 30, 2015 (the "Joinder Funding Date").

The 2011 VML Accordion Term bears interest, at the Company's option, at either the adjusted Eurodollar rate or Hong Kong Inter-bank Offered Rate ("HIBOR"), plus a credit spread, or an alternative base rate, plus a credit spread, which credit spread in each case is determined based on the consolidated total leverage ratio as set forth in the Joinder Agreement. The credit spread ranges from 0.25% to 1.125% per annum for loans accruing interest at the base rate and from 1.25% to 2.125% per annum for loans accruing interest at an adjusted Eurodollar or HIBOR rate. The initial credit spread as of April 30, 2015 (the date the term was funded), was 0.25% per annum for loans accruing interest at a base rate and 1.25% per annum for loans accruing at an adjusted Eurodollar or HIBOR rate.

The 2011 VML Accordion Term will mature on March 30, 2021. Commencing with the quarterly period ending June 30, 2018, and at the end of each subsequent quarter through March 31, 2019, the Joinder Agreement requires the borrower to repay the outstanding 2011 VML Accordion Term on a pro rata basis in an amount equal to 2.5% of the aggregate principal amount outstanding as of the Joinder Funding Date. Commencing with the quarterly period ending on June 30, 2019, and at the end of each subsequent quarter through March 31, 2020, the borrower is required to repay the outstanding 2011 VML Accordion Term on a pro rata basis in an amount equal to 5.0% of the aggregate principal amount outstanding as of the Joinder Funding Date. For the quarterly periods ending on June 30 through December 31, 2020, the borrower is required to repay the outstanding 2011 VML Accordion Term on a pro rata basis in an amount equal to 12.0% of the aggregate principal amount outstanding as of the Joinder Funding Date. The remaining balance on the 2011 VML Accordion Term is due on the maturity date.

As of September 30, 2015, the Company had \$2.0 billion of available borrowing capacity under the Extended 2011 VML Revolving Facility.

2012 Singapore Credit Facility

As of September 30, 2015, the Company had 494.5 million Singapore dollars ("SGD," approximately \$346.2 million at exchange rates in effect on September 30, 2015) of available borrowing capacity under the 2012 Singapore Revolving Facility, net of outstanding letters of credit.

Cash Flows from Financing Activities

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

	Nine Months Ended	
	September 30,	
	2015	2014
Proceeds from 2011 VML Credit Facility	\$999,277	\$819,725
Proceeds from 2013 U.S. Credit Facility	760,000	1,428,000
	\$1,759,277	\$2,247,725
Repayments on 2013 U.S. Credit Facility	\$(1,496,874)	\$(1,224,875)
Repayments on 2011 VML Credit Facility	(820,188)	(819,680)
Repayments on 2012 Singapore Credit Facility	(51,001)	—
Repayments on Airplane Financings	(2,766)	(2,766)
Repayments on HVAC Equipment Lease and Other Long-Term Debt	(2,874)	(4,557)
	\$(2,373,703)	\$(2,051,878)

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Fair Value of Long-Term Debt

The estimated fair value of the Company's long-term debt as of September 30, 2015 and December 31, 2014, was approximately \$8.94 billion and \$9.78 billion, respectively, compared to its carrying value of \$9.12 billion and \$9.98 billion, respectively. The estimated fair value of the Company's long-term debt is based on level 2 inputs (quoted prices in markets that are not active).

NOTE 4 — EQUITY AND EARNINGS PER SHARE

Common Stock

Dividends

On March 31, June 30 and September 30, 2015, the Company paid a dividend of \$0.65 per common share as part of a regular cash dividend program. During the nine months ended September 30, 2015, the Company recorded \$1.56 billion as a distribution against retained earnings (of which \$841.8 million related to the Principal Stockholder's family and the remaining \$713.4 million related to all other shareholders).

On March 31, June 30 and September 30, 2014, the Company paid a dividend of \$0.50 per common share as part of a regular cash dividend program. During the nine months ended September 30, 2014, the Company recorded \$1.21 billion as a distribution against retained earnings (of which \$647.5 million related to the Principal Stockholder's family and the remaining \$562.5 million related to all other shareholders).

In October 2015, the Company's Board of Directors declared a quarterly dividend of \$0.65 per common share (a total estimated to be approximately \$517 million) to be paid on December 31, 2015, to shareholders of record on December 22, 2015.

Repurchase Program

In June 2013, the Company's Board of Directors approved a stock repurchase program with an initial authorization of \$2.0 billion, which expired in June 2015, but was substantially completed during the year ended December 31, 2014. In October 2014, the Company's Board of Directors authorized the repurchase of an additional \$2.0 billion of its outstanding common stock, which expires in October 2016. Repurchases of the Company's common stock are made at the Company's discretion in accordance with applicable federal securities laws in the open market or otherwise. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including the Company's financial position, earnings, legal requirements, other investment opportunities and market conditions. During the nine months ended September 30, 2015 and 2014, the Company repurchased 3,036,121 and 18,565,272 shares, respectively, of its common stock for \$145.0 million and \$1.43 billion, respectively, (including commissions) under this program. All share repurchases of the Company's common stock have been recorded as treasury stock.

Noncontrolling Interests

On February 27 and July 15, 2015, SCL paid a dividend of 0.99 Hong Kong dollars ("HKD") and HKD 1.00 per share, respectively, to SCL shareholders (a total of \$2.07 billion, of which the Company retained \$1.45 billion). On February 26, 2014, SCL paid a dividend of HKD 0.87 per share and a special dividend of HKD 0.77 per share, and, on June 30, 2014, paid a dividend of HKD 0.86 per share to SCL shareholders (a total of \$2.60 billion, of which the Company retained \$1.82 billion during the nine months ended September 30, 2014).

During the nine months ended September 30, 2015 and 2014, the Company distributed \$10.1 million and \$7.2 million, respectively, to certain of its noncontrolling interests.

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Earnings Per Share

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Weighted-average common shares outstanding (used in the calculation of basic earnings per share)	796,559,738	803,064,834	797,400,090	808,247,012
Potential dilution from stock options and restricted stock and stock units	742,510	1,745,755	863,204	2,041,604
Weighted-average common and common equivalent shares (used in the calculation of diluted earnings per share)	797,302,248	804,810,589	798,263,294	810,288,616
Antidilutive stock options excluded from the calculation of diluted earnings per share	6,140,784	2,941,860	6,103,786	2,833,560

Accumulated Other Comprehensive Income (Loss)

As of September 30, 2015 and December 31, 2014, accumulated other comprehensive income (loss) consisted solely of foreign currency translation adjustments. During the nine months ended September 30, 2015, a \$5.3 million gain related to the dissolution of a wholly owned foreign subsidiary was reclassified from accumulated other comprehensive income (loss) and comprehensive income to net income. The amount is included in other income (expense) in the accompanying condensed consolidated statements of operations.

NOTE 5 — VARIABLE INTEREST ENTITIES

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

The Company has entered into various joint venture agreements with independent third parties. The operations of these joint ventures have been consolidated by the Company due to the Company’s significant investment in these joint ventures, its power to direct the activities of the joint ventures that would significantly impact their economic performance and the obligation to absorb potentially significant losses or the rights to receive potentially significant benefits from these joint ventures. The Company evaluates its primary beneficiary designation on an ongoing basis and assesses the appropriateness of the VIE’s status when events have occurred that would trigger such an analysis. As of September 30, 2015 and December 31, 2014, the Company’s consolidated joint ventures had total assets of \$84.2 million and \$85.0 million, respectively, and total liabilities of \$147.5 million and \$130.6 million, respectively.

NOTE 6 — INCOME TAXES

The Company’s major tax jurisdictions are the U.S., Macao and Singapore. The Company is subject to examination for tax years beginning 2010 in the U.S., Macao and Singapore. The Inland Revenue Authority of Singapore is performing a compliance review of the Marina Bay Sands tax return for tax years 2010 through 2012. The Company believes it has adequately reserved for its uncertain tax positions; however, there is no assurance that the taxing authorities will not propose adjustments that are different from the Company’s expected outcome, which may impact the provision for income taxes.

The Company does not consider current year's tax earnings and profits of certain foreign subsidiaries to be permanently reinvested. The Company has not provided deferred taxes for these foreign earnings as the Company

expects there will be sufficient creditable foreign taxes to offset the U.S. income tax that would result from the repatriation of foreign earnings. The Company recorded valuation allowances on certain net deferred tax assets of its U.S. operations and certain foreign jurisdictions. Management will reassess the realization of deferred tax assets based on the accounting

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standards for income taxes each reporting period and to the extent it becomes “more-likely-than-not” that the deferred tax assets are realizable, the Company will reduce the valuation allowance in the period such determination is made. In October 2013, the Company received a 5-year income tax exemption in Macao that exempts the Company from paying corporate income tax on profits generated by gaming operations. The Company will continue to benefit from this tax exemption through the end of 2018. In May 2014, the Company entered into an agreement with the Macao government, effective through the end of 2018, that provides for an annual payment of 42.4 million patacas (approximately \$5.3 million at exchange rates in effect on September 30, 2015) that is a substitution for a 12% tax otherwise due from Venetian Macau Limited (“VML”) shareholders on dividend distributions paid from VML gaming profits.

NOTE 7 — STOCK-BASED EMPLOYEE COMPENSATION

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Compensation expense:				
Stock options	\$5,010	\$6,014	\$20,302	\$19,364
Restricted stock and stock units	4,332	5,583	16,231	18,416
	\$9,342	\$11,597	\$36,533	\$37,780
Compensation cost (adjustment to compensation cost) capitalized as part of property and equipment	\$(72	) \$144	\$253	\$1,259
LVSC 2004 Plan:				
Stock options granted	—	4	435	63
Weighted average grant date fair value	\$—	\$23.06	\$12.04	\$32.02
Restricted stock granted	10	—	49	31
Weighted average grant date fair value	\$76.72	\$—	\$59.57	\$75.46
Restricted stock units granted	—	—	—	6
Weighted average grant date fair value	\$—	\$—	\$—	\$73.68
SCL Equity Plan:				
Stock options granted	—	1,258	2,744	11,447
Weighted average grant date fair value	\$—	\$2.72	\$0.95	\$3.43
Restricted stock units granted	—	—	119	189
Weighted average grant date fair value	\$—	\$—	\$4.90	\$7.37

During the three and nine months ended September 30, 2015, SCL paid \$0.4 million and \$3.3 million, respectively, to settle vested restricted stock units that were previously classified as equity awards.

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

	Three Months Ended		Nine Months Ended		
	September 30, 2015	2014	September 30, 2015	2014	
LVSC 2004 Plan:					
Weighted average volatility	—	% 41.1	% 37.3	% 58.3	%
Expected term (in years)	0.0	6.0	5.8	5.6	
Risk-free rate	—	% 1.6	% 1.3	% 1.7	%
Expected dividends	—	% 2.7	% 4.7	% 2.7	%
SCL Equity Plan:					
Weighted average volatility	—	% 63.4	% 44.8	% 65.3	%
Expected term (in years)	0.0	6.3	4.0	6.3	
Risk-free rate	—	% 1.4	% 0.7	% 1.3	%
Expected dividends	—	% 3.5	% 6.0	% 3.0	%

NOTE 8 — FAIR VALUE MEASUREMENTS

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

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

	Total Carrying Value	Fair Value Measurements Using:		
		Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2015				
Cash equivalents ⁽¹⁾	\$526,045	\$526,045	\$—	\$—
Interest rate caps ⁽²⁾	\$—	\$—	\$—	\$—
As of December 31, 2014				
Cash equivalents ⁽¹⁾	\$2,072,177	\$2,072,177	\$—	\$—
Interest rate caps ⁽²⁾	\$3	\$—	\$3	\$—

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

As of September 30, 2015 and December 31, 2014, the Company had one and four interest rate cap agreements, (2) respectively, with a nominal aggregate fair value based on quoted market values from the institutions holding the agreements.

In October 2015, the Company entered into several forward foreign currency exchange contracts in an effort to manage its foreign currency exposure. As these particular contracts do not qualify for hedge accounting, the increase

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or decrease in fair value will be recognized as other income or expense in the accompanying condensed consolidated statements of operations.

NOTE 9 — COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved in other litigation in addition to those noted below, arising in the normal course of business. Management has made certain estimates for potential litigation costs based upon consultation with legal counsel.

Actual results could differ from these estimates; however, in the opinion of management, such litigation and claims will not have a material effect on the Company's financial condition, results of operations or cash flows.

On October 15, 2004, Richard Suen and Round Square Company Limited ("RSC") filed an action against LVSC, Las Vegas Sands, Inc. ("LVSI"), Sheldon G. Adelson and William P. Weidner in the District Court of Clark County, Nevada (the "District Court"), asserting a breach of an alleged agreement to pay a success fee of \$5.0 million and 2.0% of the net profit from the Company's Macao resort operations to the plaintiffs as well as other related claims. In March 2005, LVSC was dismissed as a party without prejudice based on a stipulation to do so between the parties. Pursuant to an order filed March 16, 2006, plaintiffs' fraud claims set forth in the first amended complaint were dismissed with prejudice against all defendants. The order also dismissed with prejudice the first amended complaint against defendants Sheldon G. Adelson and William P. Weidner. On May 24, 2008, the jury returned a verdict for the plaintiffs in the amount of \$43.8 million. On June 30, 2008, a judgment was entered in this matter in the amount of \$58.6 million (including pre-judgment interest). The Company appealed the verdict to the Nevada Supreme Court. On November 17, 2010, the Nevada Supreme Court reversed the judgment and remanded the case to the District Court for a new trial. In its decision reversing the monetary judgment against the Company, the Nevada Supreme Court also made several other rulings, including overturning the pre-trial dismissal of the plaintiffs' breach of contract claim and deciding several evidentiary matters, some of which confirmed and some of which overturned rulings made by the District Court. On February 27, 2012, the District Court set a date of March 25, 2013, for the new trial. On June 22, 2012, the defendants filed a request to add experts and plaintiffs filed a motion seeking additional financial data as part of their discovery. The District Court granted both requests. The retrial began on March 27 and on May 14, 2013, the jury returned a verdict in favor of RSC in the amount of \$70.0 million. On May 28, 2013, a judgment was entered in the matter in the amount of \$101.6 million (including pre-judgment interest). On June 7, 2013, the Company filed a motion with the District Court requesting that the judgment be set aside as a matter of law or in the alternative that a new trial be granted. On July 30, 2013, the District Court denied the Company's motion. On October 17, 2013, the District Court entered an order granting plaintiffs' request for certain costs and fees associated with the litigation in the amount of approximately \$1.0 million. On December 6, 2013, the Company filed a notice of appeal of the jury verdict with the Nevada Supreme Court. The Company filed its opening appellate brief with the Nevada Supreme Court on June 16, 2014. On August 19, 2014, the Nevada Supreme Court issued an order granting plaintiffs additional time until September 15, 2014, to file their answering brief. On September 15, 2014, RSC filed a request to the Nevada Supreme Court to file a brief exceeding the maximum number of words, which was granted. On October 10, 2014, RSC filed their answering brief. On January 9, 2015, the defendants filed their reply brief. The Company believes that it has valid bases in law and fact to appeal these verdicts. As a result, the Company believes that the likelihood that the amount of the judgments will be affirmed is not probable, and, accordingly, that the amount of any loss cannot be reasonably estimated at this time. Because the Company believes that this potential loss is not probable or estimable, it has not recorded any reserves or contingencies related to this legal matter. In the event that the Company's assumptions used to evaluate this matter as neither probable nor estimable change in future periods, it may be required to record a liability for an adverse outcome.

On October 20, 2010, Steven C. Jacobs, the former Chief Executive Officer of SCL, filed an action against LVSC and SCL in the District Court alleging breach of contract against LVSC and SCL and breach of the implied covenant of good faith and fair dealing and tortious discharge in violation of public policy against LVSC. On March 16, 2011, an amended complaint was filed, which added Sheldon G. Adelson as a defendant and alleged a claim of defamation per se against him, LVSC and SCL. On June 9, 2011, the District Court dismissed the defamation claim and certified the decision as to Sheldon G. Adelson as a final judgment. On July 1, 2011, the plaintiff filed a notice of appeal regarding the final judgment as to Sheldon G. Adelson. On August 26, 2011, the Nevada Supreme Court issued a writ of mandamus

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instructing the District Court to hold an evidentiary hearing on whether personal jurisdiction exists over SCL and stayed the case until after the District Court's decision. On January 17, 2012, Mr. Jacobs filed his opening brief with the Nevada Supreme Court regarding his appeal of the defamation claim against Mr. Adelson. On January 30, 2012, Mr. Adelson filed his reply to Mr. Jacobs' opening brief. On March 8, 2012, the District Court set a hearing date for the week of June 25-29, 2012, for the evidentiary hearing on personal jurisdiction over SCL. On May 24, 2012, the District Court vacated the hearing date previously set for June 25-29 and set a status conference for June 28, 2012. At the June 28 status hearing, the District Court set out a hearing schedule to resolve a discovery dispute and did not reset a date for the jurisdictional hearing. From September 10 to September 12, 2012, the District Court held a hearing to determine the outcome of certain discovery disputes and issued an Order on September 14, 2012. In its Order, the District Court fined LVSC \$25,000 and, for the purposes of the jurisdictional discovery and evidentiary hearing, precluded the defendants from relying on the Macao Data Privacy Act as an objection or defense under its discovery obligations. On December 21, 2012, the District Court ordered the defendants to produce documents from a former counsel to LVSC containing attorney client privileged information. On January 23, 2013, the defendants filed a writ with the Nevada Supreme Court challenging this order (the "January Writ"). On January 29, 2013, the District Court granted defendants' motion for a stay of the order. On February 15, 2013, the Nevada Supreme Court ordered the plaintiff to answer the January Writ. On February 28, 2013, the District Court ordered a hearing on plaintiff's request for sanctions and additional discovery (the "February 28th Order"). On April 8, 2013, the defendants filed a writ with the Nevada Supreme Court challenging the February 28th Order (the "April Writ"); and the Nevada Supreme Court ordered the plaintiff to answer the April Writ by May 20, 2013. The defendants also filed and were granted a stay of the February 28th Order by the District Court until such time as the Nevada Supreme Court decides the April Writ. On June 18, 2013, the District Court scheduled the jurisdictional hearing for July 16-22, 2013 and issued an order allowing the plaintiff access to privileged communications of counsel to the Company (the "June 18th Order"). On June 21, 2013, the Company filed another writ with the Nevada Supreme Court challenging the June 18th Order (the "June Writ"). The Nevada Supreme Court accepted the June Writ on June 28, 2013, and issued a stay of the June 18th Order. On June 28, 2013, the District Court vacated the jurisdictional hearing. On July 3, 2013, the Company filed a motion with the Nevada Supreme Court to consolidate the pending writs (each of which have been fully briefed to the Nevada Supreme Court as of the date of this filing). On October 9, 2013, the Nevada Supreme Court heard arguments on the January Writ and plaintiff's appeal of the District Court's dismissal of plaintiff's defamation claim against Mr. Adelson. The Nevada Supreme Court has taken both matters under advisement pending a decision. On January 29, 2014, the defendants filed Supplemental Authority and a Motion to Recall Mandate with the Nevada Supreme Court to (i) inform the Nevada Supreme Court of a recently decided U.S. Supreme Court case involving similar jurisdictional issues to this matter and (ii) given this new precedent, to review anew its August 26, 2011, writ of mandamus to the District Court, respectively. On February 27, 2014, the Nevada Supreme Court ruled in favor of the Company on the January Writ, which became effective on March 24, 2014. On March 3, 2014, the Nevada Supreme Court heard oral arguments on the April and June Writs. On May 30, 2014, the Nevada Supreme Court overturned the District Court's dismissal of Mr. Jacob's defamation claim against Mr. Adelson and remanded the claim for further determination. On June 17, 2014, Mr. Adelson filed a petition for rehearing with the Nevada Supreme Court and, on June 20, 2014, the Nevada Supreme Court ordered Mr. Jacobs to answer the petition for rehearing, which he did on July 7, 2014. On June 26, 2014, SCL filed a Motion for Summary Judgment with respect to jurisdiction with the District Court, which was denied on July 29, 2014. On June 30, 2014, Mr. Jacobs filed a motion for leave to file a second amended complaint. The defendants filed a notice of intent to oppose the motion for leave to file the second amended complaint. On July 1, 2014, Mr. Jacobs filed a motion to reconsider the dismissal of the defamation claim.

On July 3, 2014, Mr. Adelson filed a notice of intent to oppose the motion to reconsider and requested oral argument. Also on July 3, 2014, the defendants filed a motion to continue the stay of the District Court's March 26, 2013, order compelling the production of documents from Macao and a notice of intent to oppose plaintiff's motion to reconsider the dismissal of his defamation claim against LVSC and SCL. On July 22, 2014, the defendants filed a motion for leave to file a reply in support of their petition for rehearing on the defamation claim with the Nevada Supreme Court. On July 22, 2014, SCL filed its reply in support of its Motion for Summary Judgment on jurisdiction and opposition to plaintiff's counter Motion for Summary Judgment. On July 25, 2014, the Nevada Supreme Court granted defendants' motion for leave to file a reply. On July 29, 2014, the Nevada Supreme Court heard the Motions for Summary Judgment and denied them both. On August 7, 2014, the Nevada Supreme Court denied the writ challenging the District Court's order on plaintiff's March 26, 2013, Renewed Motion for Sanctions. On August

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7, 2014, the Nevada Supreme Court granted in part defendants' writ with respect to the District Court's June 19, 2013, order requiring the production of privileged material. On August 7, 2014, the Nevada Supreme Court also denied rehearing on its reversal of the dismissal of the defamation claim by a vote of 4-3. On August 13, 2014, the District Court ruled that plaintiff may amend his complaint except for the defamation claim against Mr. Adelson until the remittitur from the Nevada Supreme Court is received. The District Court also allowed the sanctions hearing to move forward and is reviewing documents in camera to determine whether they were properly withheld on privilege grounds. On September 4, 2014, SCL filed its pre-hearing memorandum regarding the sanctions hearing regarding plaintiff's March 26, 2013, Renewed Motion for Sanctions. On September 12, 2014, the plaintiff filed a motion for release of the privileged documents from the District Court appointed document custodian on the grounds of waiver. On September 16, 2014, the plaintiff filed a motion seeking to stop defendants from modifying their privilege log and seeking a waiver of all privilege claims as a result of alleged deficiencies in the original privilege. On September 26, 2014, after the Nevada Supreme Court issued its remittitur, plaintiff filed his motion for leave to file a third amended complaint against LVSC, SCL and Mr. Adelson. On September 26, 2014, the defendants filed their opposition to plaintiff's motion for release of documents on the grounds of waiver. On October 3, 2014, the plaintiff filed his reply in support of his two waiver motions relating to the documents held by the District Court appointed custodian. On October 9, 2014, the District Court granted plaintiff's motion in part and denied the remainder. On October 17, 2014, SCL filed a motion to reconsider the District Court's March 27, 2013, order concerning a discovery dispute. On October 10, 2014, Mr. Adelson filed his opposition to plaintiff's motion to file a third amended complaint, which SCL and LVSC joined on October 14, 2014. On October 30, 2014, the plaintiff filed his reply in support of his motion to file a third amended complaint. On November 5, 2014, the District Court ordered that SCL waived privilege on three confidential reports. On November 7, 2014, the District Court granted plaintiff's motion to file a third amended complaint. On November 7, 2014, defendants filed a motion for partial re-consideration of the November 5, 2014, order waiving privilege. On January 6, 2015, the District Court scheduled a sanctions hearing for February 9, 2015, and the evidentiary hearing on jurisdiction for April 20, 2015. On January 12, 2015, defendants each filed their motions to dismiss the third amended complaint. Defendants' motions to dismiss the third amended complaint were fully briefed on February 19, 2015, and the District Court heard oral argument on February 27, 2015. In an order entered on March 30, 2015, the District Court denied Mr. Adelson's motion to dismiss the defamation claim, but granted his motion to dismiss with respect to plaintiff's wrongful discharge claim on the ground that Mr. Adelson was not the plaintiff's employer. The District Court denied LVSC's motion to dismiss and strike certain allegations in the complaint. The District Court reserved judgment on SCL's motion to dismiss until after it ruled on jurisdiction. On April 7, 2015, LVSC filed a motion for reconsideration of the order on the limited ground that the court had erroneously stated that LVSC was in fact Plaintiff's employer rather than stating that Plaintiff had alleged that he was LVSC's employee. Plaintiff conceded that point in his response filed on April 20, 2015. A hearing was held on the motion for reconsideration on April 21, 2015.

The sanctions hearing was held over six days, beginning on February 9 and ending on March 3, 2015. On March 6, 2015, the District Court issued a decision and order imposing sanctions on SCL for violating its September 14, 2012 Order, which the District Court construed as prohibiting SCL from redacting any documents produced in response to jurisdictional discovery requests to comply with the Macao Data Privacy Act. On March 6, 2015, the District Court ordered additional discovery to be provided by SCL. The District Court also ordered SCL to pay a total of \$250,000 to five different law-related entities. Finally, the District Court imposed evidentiary sanctions on SCL, prohibiting it from offering any affirmative evidence at the hearing on jurisdiction scheduled to begin on April 20, 2015, and stating that it would adversely infer, subject to SCL's ability to rebut the inference within the evidentiary constraints imposed

on it, that any document redacted to comply with the Macao Data Privacy Act would support plaintiff's assertion of personal jurisdiction over SCL and would contradict SCL's denial. SCL sought a stay of the order from the District Court on March 13, 2015, and when that was denied, from the Nevada Supreme Court on March 16, 2015. The Nevada Supreme Court granted a partial stay on March 17, 2015, staying SCL's obligation to pay \$250,000 and to run additional searches, but declining to stay the April 20, 2015 hearing on jurisdiction. SCL filed a petition for mandamus in the Nevada Supreme Court on March 20, 2015. Plaintiff filed his response on March 27, 2015, and SCL filed its reply on March 31, 2015. On April 2, 2015, the Nevada Supreme Court denied the mandamus petition with respect to everything but the \$250,000 sanction and lifted the stay except with respect to that sanction. The jurisdictional hearing began on April 20, 2015, and concluded on May 7, 2015. On May 28, 2015, the District Court issued an order finding specific

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and general jurisdiction of SCL. On June 19, 2015, SCL filed a petition for writ of mandamus seeking review of the decision. On June 23, 2015, the Nevada Supreme Court entered an Order Directing Answer to the Jurisdictional Writ Petition and staying the May 28, 2015 Order. Also on June 23, 2015, SCL filed a writ petition challenging the District Court's order requiring the deposition of an SCL independent board member on U.S. soil. In conjunction with the June 23 writ petition, SCL also moved to stay the scheduled deposition and plaintiff filed his opposition to the motion. Nevada Supreme Court filed its June 23, 2015 Order granting the emergency stay, accepting the writ and accepting plaintiff's opposition to the motion to stay as the answer to the June 23 Petition. On June 26, 2015, defendants filed a writ petition challenging the expedited trial date and discovery schedule set by the District Court, followed by a June 29, 2015 motion to stay all proceedings pending a decision on the writ petition. Plaintiff opposed the motion to stay on June 30, 2015. On July 1, 2015, the Nevada Supreme Court entered an order consolidating the three pending writ petitions, granting in part the stay sought in conjunction with the June 26, petition, ordering briefing on that petition. The Nevada Supreme Court's July 1, 2015 Order vacated the expedited trial date and the pretrial motions set by the District Court. On July 22, 2015, the plaintiff filed his answer to the writ petition challenging the expedited trial date and related pretrial deadlines, and on July 23, plaintiff answered the writ petition challenging the May 28 jurisdiction order. On September 1, 2015, the Nevada Supreme Court held a consolidated oral argument on all three pending writ petitions. No decision has yet been issued. As a result of the Nevada Supreme Court's July 1, 2015 Order, the District Court issued a scheduling order setting a fact discovery cut-off of April 18, 2016, and a trial date of June 26, 2016. On September 18, 2015, plaintiff filed, with leave of court, a Fifth Amended Complaint, adding VML as a defendant on the two breach of contract claims alleged in the complaint. The Fifth Amended Complaint alleges that LVSC entered into a term sheet with Mr. Jacobs in which it promised certain benefits in the event that Mr. Jacobs was terminated without cause. Plaintiff claims that, in connection with SCL's initial public offering, LVSC assigned the term sheet to both SCL and VML, which (together with LVSC) allegedly assumed liability for breaches of the term sheet. In Count I of the Fifth Amended Complaint, plaintiff alleges that he was terminated without cause and that LVSC, SCL and VML breached the term sheet by not paying the severance required under those circumstances. In Count II, plaintiff claims that certain stock options in SCL purportedly awarded to him should have vested when he was terminated and seeks damages from LVSC, SCL and VML for SCL's refusal to recognize the options. Count III is a claim for breach of an implied covenant of good faith and fair dealing against LVSC, SCL and VML. Count IV repeats plaintiff's earlier claim for tortious discharge in violation of public policy and is alleged against LVSC alone. Count V repeats plaintiff's claims for defamation per se and is alleged against Mr. Adelson, LVSC and SCL. Count VI repeats a tortious discharge in violation of public policy claim against Mr. Adelson, which the District Court previously dismissed with prejudice. Count VII alleges aiding and abetting tortious discharge in violation of public policy against SCL. Count VIII alleges a conspiracy between LVSC and SCL to tortious discharge of plaintiff in violation of public policy. LVSC has answered the Fifth Amended Complaint and re-filed its previously filed counterclaim against plaintiff. SCL's obligation to respond to plaintiff's complaint has been suspended pending a decision from the Nevada Supreme Court on the issue of personal jurisdiction. On October 19, 2015, VML moved to quash service of the summons and on October 21, 2015, further moved to dismiss all claims against VML. Mr. Jacobs is seeking unspecified damages. This action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously. On February 9, 2011, LVSC received a subpoena from the Securities and Exchange Commission (the "SEC") requesting that the Company produce documents relating to its compliance with the Foreign Corrupt Practices Act (the "FCPA"). The Company has also been advised by the Department of Justice (the "DOJ") that it is conducting a similar

investigation. It is the Company's belief that the subpoena may have emanated from the lawsuit filed by Steven C. Jacobs described above.

After the Company's receipt of the subpoena from the SEC on February 9, 2011, the Board of Directors delegated to the Audit Committee, comprised of three independent members of the Board of Directors, the authority to investigate the matters raised in the SEC subpoena and related inquiry of the DOJ.

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As part of the 2012 annual audit of the Company's financial statements, the Audit Committee advised the Company and its independent accountants that it had reached certain preliminary findings, including that there were likely violations of the books and records and internal controls provisions of the FCPA and that in recent years, the Company has improved its practices with respect to books and records and internal controls.

Based on the information provided to management by the Audit Committee and its counsel, the Company believes, and the Audit Committee concurs, that the preliminary findings:

- do not have a material impact on the financial statements of the Company;
- do not warrant any restatement of the Company's past financial statements; and
- do not represent a material weakness in the Company's internal controls over financial reporting as of September 30, 2015.

The investigation by the Audit Committee is complete. The Company is cooperating with all investigations. Based on proceedings to date, management is currently unable to determine the probability of the outcome of this matter, the extent of materiality, or the range of reasonably possible loss, if any.

On May 24, 2010, Frank J. Fosbre, Jr. filed a purported class action complaint in the United States District Court for the District of Nevada (the "U.S. District Court"), against LVSC, Sheldon G. Adelson, and William P. Weidner. The complaint alleged that LVSC, through the individual defendants, disseminated or approved materially false information, or failed to disclose material facts, through press releases, investor conference calls and other means from August 1, 2007 through November 6, 2008. The complaint sought, among other relief, class certification, compensatory damages and attorneys' fees and costs. On July 21, 2010, Wendell and Shirley Combs filed a purported class action complaint in the U.S. District Court, against LVSC, Sheldon G. Adelson, and William P. Weidner. The complaint alleged that LVSC, through the individual defendants, disseminated or approved materially false information, or failed to disclose material facts, through press releases, investor conference calls and other means from June 13, 2007 through November 11, 2008. The complaint, which was substantially similar to the Fosbre complaint, discussed above, sought, among other relief, class certification, compensatory damages and attorneys' fees and costs. On August 31, 2010, the U.S. District Court entered an order consolidating the Fosbre and Combs cases, and appointed lead plaintiffs and lead counsel. As such, the Fosbre and Combs cases are reported as one consolidated matter. On November 1, 2010, a purported class action amended complaint was filed in the consolidated action against LVSC, Sheldon G. Adelson and William P. Weidner. The amended complaint alleges that LVSC, through the individual defendants, disseminated or approved materially false and misleading information, or failed to disclose material facts, through press releases, investor conference calls and other means from August 2, 2007 through November 6, 2008. The amended complaint seeks, among other relief, class certification, compensatory damages and attorneys' fees and costs. On January 10, 2011, the defendants filed a motion to dismiss the amended complaint, which, on August 24, 2011, was granted in part, and denied in part, with the dismissal of certain allegations. On November 7, 2011, the defendants filed their answer to the allegations remaining in the amended complaint. On July 11, 2012, the U.S. District Court issued an order allowing defendants' Motion for Partial Reconsideration of the court's order dated August 24, 2011, striking additional portions of the plaintiff's complaint and reducing the class period to a period of February 4 to November 6, 2008. On August 7, 2012, the plaintiff filed a purported class action second amended complaint (the "Second Amended Complaint") seeking to expand their allegations back to a time period of 2007 (having previously been cut back to 2008 by the U.S. District Court) essentially alleging very similar matters that had been previously stricken by the U.S. District Court. On October 16, 2012, the defendants filed a new motion to dismiss the Second Amended Complaint. The plaintiffs responded to the motion to dismiss on November 1, 2012, and defendants

filed their reply on November 12, 2012. On November 20, 2012, the U.S. District Court granted a stay of discovery under the Private Securities Litigation Reform Act pending a decision on the new motion to dismiss and therefore, the discovery process has been suspended. On April 16, 2013, the case was reassigned to a new judge. On July 30, 2013, the U.S. District Court heard the motion to dismiss and took the matter under advisement. On November 7, 2013, the judge granted in part and denied in part defendants' motions to dismiss. On December 13, 2013, the defendants filed their answer to the Second Amended Complaint. Discovery in the matter has re-started. On January 8, 2014, plaintiffs filed a motion to expand the certified class period, which was granted by the U.S. District Court on June 15, 2015. Fact discovery closed on July 31, 2015, and expert discovery is scheduled to close on December 18, 2015. This consolidated action is in a preliminary stage

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and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On March 9, 2011, Benyamin Kohanim filed a shareholder derivative action (the “Kohanim action”) on behalf of the Company in the District Court against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint alleges, among other things, breach of fiduciary duties in failing to properly implement, oversee and maintain internal controls to ensure compliance with the FCPA. The complaint seeks to recover for the Company unspecified damages, including restitution and disgorgement of profits, and also seeks to recover attorneys’ fees, costs and related expenses for the plaintiff. On April 18, 2011, Ira J. Gaines, Sunshine Wire and Cable Defined Benefit Pension Plan Trust dated 1/1/92 and Peachtree Mortgage Ltd. filed a shareholder derivative action (the “Gaines action”) on behalf of the Company in the District Court against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint raises substantially similar claims as alleged in the Kohanim action. The complaint seeks to recover for the Company unspecified damages, and also seeks to recover attorneys’ fees, costs and related expenses for the plaintiffs. The Kohanim and Gaines actions have been consolidated and are reported as one consolidated matter. On July 25, 2011, the plaintiffs filed a first verified amended consolidated complaint. The plaintiffs have twice agreed to stay the proceedings. A 120-day stay was entered by the District Court in October 2011. It was extended for another 90 days in February 2012 and expired in May 2012. The parties agreed to an extension of the May 2012 deadline that expired on October 30, 2012. The defendants filed a motion to dismiss on November 1, 2012, based on the fact that the plaintiffs have suffered no damages. On January 23, 2013, the District Court denied the motion to dismiss in part, deferred the remainder of the motion to dismiss and stayed the proceedings until July 22, 2013. The District Court has granted several successive stays since that time, with the case currently stayed until April 18, 2016. This consolidated action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On April 1, 2011, Nasser Moradi, Richard Buckman, Douglas Tomlinson and Matt Abbeduto filed a shareholder derivative action (the “Moradi action”), as amended on April 15, 2011, on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time. The complaint raises substantially similar claims as alleged in the Kohanim and Gaines actions. The complaint seeks to recover for the Company unspecified damages, including exemplary damages and restitution, and also seeks to recover attorneys’ fees, costs and related expenses for the plaintiffs. On April 18, 2011, the Louisiana Municipal Police Employees Retirement System filed a shareholder derivative action (the “LAMPERS action”) on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time, and Wing T. Chao, a former member of the Board of Directors. The complaint raises substantially similar claims as alleged in the Kohanim, Moradi and Gaines actions. The complaint seeks to recover for the Company unspecified damages, and also seeks to recover attorneys’ fees, costs and related expenses for the plaintiff. On April 22, 2011, John Zarembo filed a shareholder derivative action (the “Zarembo action”) on behalf of the Company in the U.S. District Court, against Sheldon G. Adelson, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Michael A. Leven, Jeffrey H. Schwartz and Irwin A. Siegel, the members of the Board of Directors at the time, and Wing T.

Chao, a former member of the Board of Directors. The complaint raises substantially similar claims as alleged in the Kohanim, Moradi, Gaines and LAMPERS actions. The complaint seeks to recover for the Company unspecified damages, including restitution, disgorgement of profits and injunctive relief, and also seeks to recover attorneys' fees, costs and related expenses for the plaintiff. On August 25, 2011, the U.S. District Court consolidated the Moradi, LAMPERS and Zaremba actions and such actions are reported as one consolidated matter. On November 17, 2011, the defendants filed a motion to dismiss or alternatively to stay the federal action due to the parallel state court action described above. On May 25, 2012, the case was transferred to a new judge. On August 27, 2012, the U.S. District Court granted the motion to stay pending a further update of the Special Litigation Committee due on October 30, 2012. On October 30, 2012, the

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defendants filed the update asking the judge to determine whether to continue the stay until January 31, 2013, or to address motions to dismiss. On November 7, 2012, the U.S. District Court denied defendants request for an extension of the stay but asked the parties to brief the motion to dismiss. On November 21, 2012, defendants filed their motion to dismiss. On December 21, 2012, plaintiffs filed their opposition and on January 18, 2013, defendants filed their reply. On May 31, 2013, the case was reassigned to a new judge. On April 11, 2014, the judge denied the motion to dismiss without prejudice and ordered the case stayed pending the outcome of the state court action in Kohanim described above. This consolidated action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On January 23, 2014, W.A. Sokolowski filed a shareholder derivative action (the "Sokolowski action") purporting to act on behalf of the Company and in his individual capacity as a shareholder in the U.S. District Court for the District of Nevada against Sheldon G. Adelson, Michael A. Leven, Jason N. Ader, Irwin Chafetz, Charles D. Forman, George P. Koo, Charles A. Koppelman, Jeffrey H. Schwartz, Victor Chaltiel and Irwin A. Siegel, each of whom was serving on the Board of Directors (collectively, the "Directors"), as well as against Frederick Hipwell, a partner at PricewaterhouseCoopers LLP ("PwC"), the Company's former auditor. The complaint alleges, among other things, that the Directors breached their fiduciary duties to the Company by attempting to conceal certain alleged misrepresentations and wrongdoing by the Company's management, concealed certain facts in connection with audits performed by PwC and caused the issuance of a false or misleading proxy statement in 2013. The complaint seeks, among other things the appointment of a conservator or special master to oversee the Company's discussions with governmental agencies as well as to recover for the Company unspecified damages, including restitution and disgorgement of profits, and also seeks to recover attorneys' fees, costs and related expenses for the plaintiff. The Company filed a motion to dismiss the complaint on February 13, 2014. On February 28, 2014, defendant Hipwell filed his motion to dismiss the complaint. On March 12, 2014, the plaintiff filed its response to the Company's motion to dismiss and on March 26, 2014, the Company filed its reply. On March 31, 2014, the plaintiff filed its response to Hipwell's motion to dismiss and on April 10, 2014, Hipwell filed his reply. On April 1, 2014, the plaintiff filed a renewed motion for expedited discovery (the first motion was filed on January 24, 2014 and was denied by the judge). The Company filed its response on April 18, 2014. On May 2, 2014, the U.S. District Court denied this second motion. On May 9, 2014, Directors Ader, Chafetz, Chaltiel, Forman, Koppelman and Leven filed their motion to dismiss. On June 10, 2014, the plaintiff filed its opposition to these Directors motion to dismiss. On June 30, 2014, these Directors filed their reply. On July 30, 2014, the U.S. District Court granted the Company's motion to dismiss the complaint, finding plaintiff had failed to allege stock ownership facts demonstrating standing to sue, with leave for plaintiff to amend his complaint to demonstrate stock ownership with more particularity. On August 29, 2014, the plaintiff filed an amended complaint and, on September 15, 2014, the served defendants filed their motions to dismiss the amended complaint. The plaintiff's opposition to the Company's motion to dismiss was filed on October 22, 2014, and to the individuals' motions to dismiss on October 29, 2014. Plaintiffs also filed an opposition to Hipwell's motion on November 3, 2014, and opposed Mr. Adelson's joinder on December 9, 2014. The served defendants' reply briefs were filed on November 24, 25 and 26, 2014. On December 16, 2014, Mr. Adelson filed a reply brief. On March 3, 2015, the U.S. District Court denied, without prejudice, plaintiff's motion to substitute the estates of the late Messrs. Chaltiel and Schwartz. By order dated June 16, 2015, the U.S. District Court granted defendants' motions to dismiss. The U.S. District Court did not dismiss the claims with prejudice, but it did not provide for further leave to amend and directed that the clerk close the case. On June 16, 2015, the U.S. District Court entered a "Judgment In A Civil Case" pursuant to the court's order. On June 29, 2015, plaintiff moved to re-open the dismissal order to request

further leave to amend, arguing that no judgment was entered. The Company opposed the motion and on July 30, 2015, the U.S. District Court denied the motion. On July 16, 2015, the Company filed an opposition to that motion. On July 27, 2015, plaintiff filed a reply in support of the motion. On July 30, 2015, the U.S. District Court denied the motion, affirming that it had entered a final judgment and had denied further leave to amend. On July 16, 2015, the Company also filed a motion requesting the U.S. District Court make the findings regarding Federal Rules of Civil Procedure ("Rule 11") compliance required at the conclusion of an Exchange Act case, and to find that plaintiff's counsel violated Rule 11 by filing and defending the amended complaint. On August 27, 2015, plaintiff filed an opposition to the Company's motion. On September 21, 2015, the Company filed a reply in further support of the motion. The motion remains pending. At this stage of the proceedings

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with only the Rule 11 sanction pending against plaintiff and a possible appeal by plaintiff, management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On March 6, 2014, the Board of Directors of the Company received a shareholder demand letter from a purported shareholder named the John F. Scarpa Foundation ("Scarpa"). This letter recites substantially the same allegations as the complaint filed in the Sokolowski action and demands that the same claims be asserted by the Company, which was delivered to the Company by the same counsel representing Mr. Sokolowski. The Company responded, through its counsel, on March 26, 2014. Scarpa then sent a revised demand letter to the Board of Directors on March 31, 2014. The Company responded, through its counsel, on April 8, 2014. Scarpa then sent an additional demand letter dated August 14, 2014 to which the Company responded on August 22, 2014. This matter is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter, whether this matter will result in litigation or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

On January 19, 2012, Asian American Entertainment Corporation, Limited ("AAEC") filed a claim (the "Macao action") with the Macao Judicial Court (Tribunal Judicial de Base) against VML, LVS (Nevada) International Holdings, Inc. ("LVS (Nevada)"), Las Vegas Sands, LLC ("LVSLLC") and VCR (collectively, the "Defendants"). The claim is for 3.0 billion patacas (approximately \$375.8 million at exchange rates in effect on September 30, 2015) as compensation for damages resulting from the alleged breach of agreements entered into between AAEC and the Defendants for their joint presentation of a bid in response to the public tender held by the Macao government for the award of gaming concessions at the end of 2001. On July 4, 2012, the Defendants filed their defense to the Macao action with the Macao Judicial Court. AAEC then filed a reply that included several amendments to the original claim, although the amount of the claim was not amended. On January 4, 2013, the Defendants filed an amended defense to the amended claim with the Macao Judicial Court. On September 23, 2013, the three U.S. Defendants filed a motion with the Macao Second Instance Court, seeking recognition and enforcement of the U.S. Court of Appeals ruling in the Prior Action, referred to below, given on April 10, 2009, which partially dismissed AAEC's claims against the three U.S. Defendants. On April 24, 2014, the Macao Judicial Court issued a Decision (Despacho Seneador) holding that AAEC's claim against VML is unfounded and that VML be removed as a party to the proceedings, and that the claim should proceed exclusively against the three U.S. Defendants. On May 8, 2014, AAEC lodged an appeal against that decision. The Macao Judicial Court further held that the existence of the pending application for recognition and enforcement of the U.S. Court of Appeals ruling before the Macao Second Instance Court did not justify a stay of the proceedings against the three U.S. Defendants at the present time, although in principle an application for a stay of the proceedings against the three U.S. Defendants could be reviewed after the Macao Second Instance Court had issued its decision. On June 25, 2014, the Macao Second Instance Court delivered a decision, which gave formal recognition to and allowed enforcement in Macao of the judgment of the U.S. Court of Appeals, dismissing AAEC's claims against the U.S. Defendants. AAEC appealed against the recognition decision to the Macao Court of Final Appeal, which, on May 6, 2015, dismissed the appeal and held the U.S. judgment to be final and have preclusive effect. The Court of Final Appeal's decision became final on May 21, 2015. On June 5, 2015, the three U.S. Defendants applied to the Macao Judicial Court to dismiss the claims against them as res judicata. AAEC filed its response to that application on June 30, 2015. The three U.S. Defendants filed their reply on July 23, 2015. On March 25, 2015, application was made by the U.S. Defendants to the Macao Judicial Court to revoke the legal aid granted to AAEC, accompanied by a request for evidence taking from AAEC, relating to the fees and expenses that they incurred and paid in the U.S. subsequent action referred to in the following sentence. No decision has been issued in respect to that application up

to the present time. On July 9, 2014, the plaintiff filed yet another action in the U.S. District Court against LVSC, LVSLLC, VCR, Sheldon G. Adelson, William P. Weidner, David Friedman and Does 1-50 for declaratory judgment, equitable accounting, misappropriation of trade secrets, breach of confidence and conversion based on a theory of copyright law. The claim is for \$5.0 billion. On November 4, 2014, plaintiff finally effected notice on the LVSC entities which was followed by a motion to dismiss by the U.S. Defendants on November 10, 2014. Plaintiff failed to timely respond and on December 2, 2014, the U.S. Defendants moved for immediate dismissal and sanctions against plaintiff and his counsel for the bringing of frivolous lawsuit. On December 19, 2014, plaintiff filed an incomplete and untimely response which was followed by plaintiff's December 27, 2014 notice of withdrawal of the lawsuit and the U.S. Defendants' December 29, 2014, reply in favor

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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of sanctions and dismissal with prejudice. On August 31, 2015, the judge dismissed the U.S. action and the Defendants' sanctions motion. The Macao action and this most recently filed action are in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of these matters or the range of reasonably possible loss, if any. The Company intends to defend these matters vigorously.

As previously disclosed by the Company, on February 5, 2007, AAEC brought a similar claim (the "Prior Action") in the U.S. District Court, against LVSI (now known as LVSLLC), VCR and Venetian Venture Development, LLC, which are subsidiaries of the Company, and William P. Weidner and David Friedman, who are former executives of the Company. The U.S. District Court entered an order on April 16, 2010, dismissing the Prior Action. On April 20, 2012, LVSLLC, VCR and LVS (Nevada) filed an injunctive action (the "Nevada Action") against AAEC in the U.S. District Court seeking to enjoin AAEC from proceeding with the Macao Action based on AAEC's filing, and the U.S. District Court's dismissal, of the Prior Action. On June 14, 2012, the U.S. District Court issued an order that denied the motions requesting the Nevada Action, thereby effectively dismissing the Nevada Action.

The Company previously received subpoenas from the U.S. Attorney's Office for the Central District of California (the "USAO") requesting the production of documents relating to two prior customers of the Company's properties. In August 2013, the USAO completed its investigation and entered into an agreement with the Company, whereby the Company agreed to voluntarily return \$47.4 million to the U.S. Treasury, which represented funds received from or on behalf of one of its customers, and provide written reports to the USAO regarding certain of its casino-related activities. The amount was paid during the year ended December 31, 2013, and the matter has been closed.

On February 11, 2014, the Company disclosed that it was the victim of a sophisticated cyber-attack on its computer networks in the United States. As a result of this criminal attack, the U.S. government has commenced investigations into the source of the attack. In addition, the Company is working with internal and external forensic information technology systems experts in connection with this effort. As a result of the investigations and the Company's efforts, which are ongoing, the Company has learned that certain customer and employee data was compromised at its Bethlehem facility and other data may have been stolen in the attack as well as that the attack may have destroyed certain other Company data. The Company is cooperating fully with the investigations. Based on the information available to date and the absence of claims asserted thus far, management is currently unable to determine the probability of the outcome of any matters relating to the cyber-attack, the extent of materiality or the range of reasonably possible loss, if any.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
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NOTE 10 — SEGMENT INFORMATION

The Company's principal operating and developmental activities occur in three geographic areas: Macao, Singapore and the United States. The Company reviews the results of operations for each of its operating segments: The Venetian Macao; Sands Cotai Central; Four Seasons Macao; Sands Macao; Other Asia (comprised primarily of the Company's ferry operations and various other operations that are ancillary to the Company's properties in Macao); Marina Bay Sands; The Venetian Las Vegas, which includes the Sands Expo Center; The Palazzo; and Sands Bethlehem. The Venetian Las Vegas and The Palazzo operating segments are managed as a single integrated resort and have been aggregated as one reportable segment (the "Las Vegas Operating Properties"), considering their similar economic characteristics, types of customers, types of services and products, the regulatory business environment of the operations within each segment and the Company's organizational and management reporting structure. The Company also reviews construction and development activities for each of its primary projects under development, in addition to its reportable segments noted above. The Company's primary projects under development are The Parisian Macao, the St. Regis tower (the remaining phase of Sands Cotai Central) and the Four Seasons Apartments in Macao, and the Las Vegas Condo Tower (which construction is currently suspended and is included in Corporate and Other) in the U.S. The corporate activities of the Company are also included in Corporate and Other. The Company's segment information as of September 30, 2015 and December 31, 2014, and for the three and nine months ended September 30, 2015 and 2014, is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Revenues				
Macao:				
The Venetian Macao	\$699,553	\$943,037	\$2,226,198	\$3,160,374
Sands Cotai Central	550,159	816,463	1,676,154	2,428,822
Four Seasons Macao	167,947	265,432	533,314	863,940
Sands Macao	207,364	280,079	674,289	906,882
Other Asia	43,422	41,439	117,428	113,286
	1,668,445	2,346,450	5,227,383	7,473,304
Marina Bay Sands	750,677	735,505	2,248,535	2,375,618
United States:				
Las Vegas Operating Properties	385,472	380,461	1,107,871	1,116,194
Sands Bethlehem	144,003	127,338	409,204	370,644
	529,475	507,799	1,517,075	1,486,838
Intersegment eliminations	(54,914	) (56,632	) (166,267	) (167,904
Total net revenues	\$2,893,683	\$3,533,122	\$8,826,726	\$11,167,856
			Three Months Ended September 30,	Nine Months Ended September 30,
			2015	2014
Intersegment Revenues				
Macao:				
The Venetian Macao			\$1,563	\$1,842
			\$4,822	\$4,230

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Sands Cotai Central	134	77	290	223
Other Asia	10,237	11,360	30,138	31,799
	11,934	13,279	35,250	36,252
Marina Bay Sands	2,320	2,969	7,578	8,989
Las Vegas Operating Properties	40,660	40,384	123,439	122,663
Total intersegment revenues	\$54,914	\$56,632	\$166,267	\$167,904

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
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(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Adjusted Property EBITDA ⁽¹⁾				
Macao:				
The Venetian Macao	\$256,381	\$352,735	\$781,313	\$1,224,876
Sands Cotai Central	170,457	267,031	490,577	781,210
Four Seasons Macao	58,785	101,184	177,591	282,179
Sands Macao	51,132	88,099	174,794	261,856
Other Asia	8,427	3,130	16,780	1,248
	545,182	812,179	1,641,055	2,551,369
Marina Bay Sands	389,717	351,687	1,168,243	1,204,626
United States:				
Las Vegas Operating Properties	79,790	90,183	208,065	235,950
Sands Bethlehem	37,530	29,846	101,522	84,292
	117,320	120,029	309,587	320,242
Total adjusted property EBITDA	1,052,219	1,283,895	3,118,885	4,076,237
Other Operating Costs and Expenses				
Stock-based compensation	(4,744)	(7,252)	(17,365)	(22,909)
Corporate	(37,488)	(42,704)	(127,276)	(138,504)
Pre-opening	(9,627)	2,414	(29,860)	(18,027)
Development	(3,147)	(3,043)	(7,028)	(8,952)
Depreciation and amortization	(247,698)	(251,002)	(750,212)	(776,065)
Amortization of leasehold interests in land	(9,737)	(10,086)	(29,060)	(30,152)
Loss on disposal of assets	(709)	(801)	(18,590)	(4,922)
Operating income	739,069	971,421	2,139,494	3,076,706
Other Non-Operating Costs and Expenses				
Interest income	2,158	5,609	12,598	17,109
Interest expense, net of amounts capitalized	(66,962)	(66,779)	(199,018)	(207,495)
Other income (expense)	16,275	95	31,589	(2,368)
Loss on modification or early retirement of debt	—	(1,978)	—	(19,942)
Income tax expense	(72,347)	(47,869)	(173,941)	(153,939)
Net income	\$618,193	\$860,499	\$1,810,722	\$2,710,071

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

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
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 (UNAUDITED)

	Nine Months Ended	
	September 30,	
	2015	2014
Capital Expenditures		
Corporate and Other	\$9,404	\$24,271
Macao:		
The Venetian Macao	54,615	80,297
Sands Cotai Central	333,373	232,032
Four Seasons Macao	12,097	30,469
Sands Macao	16,592	24,264
Other Asia	1,916	1,563
The Parisian Macao	519,794	259,969
	938,387	628,594
Marina Bay Sands	96,665	54,048
United States:		
Las Vegas Operating Properties	55,047	79,150
Sands Bethlehem	13,464	7,051
	68,511	86,201
Total capital expenditures	\$1,112,967	\$793,114
	September 30,	December 31,
	2015	2014
Total Assets		
Corporate and Other	\$516,404	\$613,683
Macao:		
The Venetian Macao	2,755,651	3,900,921
Sands Cotai Central	4,383,591	4,761,907
Four Seasons Macao	1,059,305	1,157,502
Sands Macao	403,418	414,689
Other Asia	286,580	304,463
The Parisian Macao	1,396,939	805,220
Other Development Projects	84	91
	10,285,568	11,344,793
Marina Bay Sands	5,595,215	6,106,397
United States:		
Las Vegas Operating Properties	3,459,559	3,623,808
Sands Bethlehem	646,144	673,010
	4,105,703	4,296,818
Total assets	\$20,502,890	\$22,361,691

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

	September 30, 2015	December 31, 2014
Total Long-Lived Assets		
Corporate and Other	\$341,254	\$357,071
Macao:		
The Venetian Macao	1,813,515	1,893,032
Sands Cotai Central	3,941,869	3,814,699
Four Seasons Macao	915,771	932,034
Sands Macao	271,390	286,640
Other Asia	169,011	177,335
The Parisian Macao	1,394,717	804,328
	8,506,273	7,908,068
Marina Bay Sands	4,432,300	4,874,263
United States:		
Las Vegas Operating Properties	2,941,209	3,024,380
Sands Bethlehem	552,458	561,782
	3,493,667	3,586,162
Total long-lived assets	\$16,773,494	\$16,725,564

NOTE 11 — CONDENSED CONSOLIDATING FINANCIAL INFORMATION

LVSLLC, as the issuer and primary obligor of the 2013 U.S. Credit Facility, VCR, Venetian Marketing, Inc., Sands Expo & Convention Center, Inc. and Sands Pennsylvania, Inc. (collectively, the “Restricted Subsidiaries”) are all guarantors under the 2013 U.S. Credit Facility. The noncontrolling interest amounts included in the Restricted Subsidiaries’ condensed consolidating financial information are related to non-voting preferred stock of one of the subsidiaries held by third parties.

In February 2008, all of the capital stock of Phase II Mall Subsidiary, LLC (a subsidiary of VCR) was sold to GGP; however, the sale is not complete from an accounting perspective due to the Company’s continuing involvement in the transaction related to the participation in certain potential future revenues earned by GGP. Certain of the assets, liabilities and operating results related to the ownership and operation of the mall by Phase II Mall Subsidiary, LLC subsequent to the sale will continue to be accounted for by the Restricted Subsidiaries, and therefore are included in the “Restricted Subsidiaries” columns in the following condensed consolidating financial information. As a result, net liabilities of \$46.6 million (consisting of \$268.5 million of liabilities, primarily comprised of deferred proceeds from the sale, partially offset by \$221.9 million of property and equipment) and \$40.3 million (consisting of \$268.8 million of liabilities, primarily comprised of deferred proceeds from the sale, partially offset by \$228.5 million of property and equipment) as of September 30, 2015 and December 31, 2014, respectively, and a net loss (consisting primarily of depreciation expense) of \$2.3 million and \$7.0 million for the three and nine months ended September 30, 2015, respectively, and \$2.9 million and \$9.2 million for the three and nine months ended September 30, 2014, respectively, related to the mall and are being accounted for by the Restricted Subsidiaries. These balances and amounts are not collateral for the 2013 U.S. Credit Facility.

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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The following condensed consolidating financial information of LVSC, a non-guarantor parent; the Restricted Subsidiaries, including LVSLLC as the issuer; and the non-restricted subsidiaries on a combined basis as of September 30, 2015 and December 31, 2014, and for the three and nine months ended September 30, 2015 and 2014, is being presented in order to meet the reporting requirements under the 2013 U.S. Credit Facility, and is not intended to comply with SEC Regulation S-X 3-10 (in thousands):

CONDENSED CONSOLIDATING BALANCE SHEETS

September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	\$ 56,741	\$ 258,992	\$ 1,539,733	\$—	\$ 1,855,466
Restricted cash and cash equivalents	—	—	7,514	—	7,514
Intercompany receivables	617,230	262,307	—	(879,537)	—
Intercompany notes receivable	—	—	376,622	(376,622)	—
Accounts receivable, net	850	269,679	1,044,662	—	1,315,191
Inventories	6,750	10,394	22,611	—	39,755
Deferred income taxes, net	6,494	30,575	629	(37,698)	—
Prepaid expenses and other	24,766	14,308	72,271	(48)	111,297
Total current assets	712,831	846,255	3,064,042	(1,293,905)	3,329,223
Property and equipment, net	118,983	2,898,677	12,492,444	—	15,510,104
Investments in subsidiaries	6,592,378	4,713,169	—	(11,305,547)	—
Deferred financing costs, net	80	20,965	158,260	—	179,305
Intercompany receivables	215	17,476	—	(17,691)	—
Intercompany notes receivable	—	1,394,011	—	(1,394,011)	—
Deferred income taxes, net	—	—	133,494	(103,502)	29,992
Leasehold interests in land, net	—	—	1,263,390	—	1,263,390
Intangible assets, net	690	—	74,179	—	74,869
Other assets, net	380	17,985	97,642	—	116,007
Total assets	\$ 7,425,557	\$ 9,908,538	\$ 17,283,451	\$(14,114,656)	\$ 20,502,890
Accounts payable	\$ 5,594	\$ 30,811	\$ 59,622	\$—	\$ 96,027
Construction payables	19	1,375	330,456	—	331,850
Intercompany payables	—	533,113	346,424	(879,537)	—
Intercompany notes payable	376,622	—	—	(376,622)	—
Accrued interest payable	75	1,143	8,556	—	9,774
Other accrued liabilities	33,278	218,242	1,391,341	—	1,642,861
Deferred income taxes	—	—	52,467	(37,698)	14,769
Income taxes payable	438	—	174,297	(48)	174,687
Current maturities of long-term debt	3,688	24,033	66,951	—	94,672
Total current liabilities	419,714	808,717	2,430,114	(1,293,905)	2,364,640
Other long-term liabilities	1,872	8,804	112,173	—	122,849

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Intercompany payables	—	—	17,691	(17,691) —
Intercompany notes payable	—	—	1,394,011	(1,394,011) —
Deferred income taxes	55,225	48,277	176,076	(103,502	) 176,076
Deferred amounts related to mall sale transactions	—	418,703	—	—	418,703
Long-term debt	57,217	2,493,833	6,483,221	—	9,034,271
Total liabilities	534,028	3,778,334	10,613,286	(2,809,109	) 12,116,539
Total Las Vegas Sands Corp. stockholders' equity	6,891,529	6,129,799	5,175,748	(11,305,547	) 6,891,529
Noncontrolling interests	—	405	1,494,417	—	1,494,822
Total equity	6,891,529	6,130,204	6,670,165	(11,305,547	) 8,386,351
Total liabilities and equity	\$ 7,425,557	\$ 9,908,538	\$ 17,283,451	\$(14,114,656) \$ 20,502,890

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
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CONDENSED CONSOLIDATING BALANCE SHEETS

December 31, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Cash and cash equivalents	\$ 114,125	\$ 345,399	\$ 3,046,795	\$—	\$ 3,506,319
Restricted cash and cash equivalents	—	—	6,566	—	6,566
Intercompany receivables	431,754	255,371	—	(687,125)	—
Intercompany notes receivable	—	—	370,836	(370,836)	—
Accounts receivable, net	15,144	270,838	1,224,790	—	1,510,772
Inventories	5,238	10,745	25,691	—	41,674
Deferred income taxes, net	6,803	31,240	1,196	(39,239)	—
Prepaid expenses and other	26,210	11,889	87,530	(461)	125,168
Total current assets	599,274	925,482	4,763,404	(1,097,661)	5,190,499
Property and equipment, net	130,155	2,979,485	12,262,834	—	15,372,474
Investments in subsidiaries	7,010,357	5,864,848	—	(12,875,205)	—
Deferred financing costs, net	123	25,153	180,320	—	205,596
Intercompany receivables	226	38,763	—	(38,989)	—
Intercompany notes receivable	—	1,250,544	—	(1,250,544)	—
Deferred income taxes, net	—	—	127,963	(96,243)	31,720
Leasehold interests in land, net	—	—	1,353,090	—	1,353,090
Intangible assets, net	690	—	85,570	—	86,260
Other assets, net	714	19,736	101,602	—	122,052
Total assets	\$ 7,741,539	\$ 11,104,011	\$ 18,874,783	\$(15,358,642)	\$ 22,361,691
Accounts payable	\$ 8,065	\$ 25,489	\$ 79,167	\$—	\$ 112,721
Construction payables	156	4,001	266,772	—	270,929
Intercompany payables	—	430,596	256,529	(687,125)	—
Intercompany notes payable	370,836	—	—	(370,836)	—
Accrued interest payable	76	1,030	6,837	—	7,943
Other accrued liabilities	31,050	233,781	1,719,613	—	1,984,444
Deferred income taxes	—	—	51,761	(39,239)	12,522
Income taxes payable	—	—	224,662	(461)	224,201
Current maturities of long-term debt	3,688	24,224	71,822	—	99,734
Total current liabilities	413,871	719,121	2,677,163	(1,097,661)	2,712,494
Other long-term liabilities	3,014	9,255	112,345	—	124,614
Intercompany payables	—	—	38,989	(38,989)	—
Intercompany notes payable	—	—	1,250,544	(1,250,544)	—
Deferred income taxes	51,085	45,158	188,935	(96,243)	188,935
Deferred amounts related to mall sale transactions	—	422,153	—	—	422,153

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Long-term debt	59,983	3,230,653	6,602,277	—	9,892,913
Total liabilities	527,953	4,426,340	10,870,253	(2,483,437)	13,341,109
Total Las Vegas Sands Corp. stockholders' equity	7,213,586	6,677,266	6,197,939	(12,875,205)	7,213,586
Noncontrolling interests	—	405	1,806,591	—	1,806,996
Total equity	7,213,586	6,677,671	8,004,530	(12,875,205)	9,020,582
Total liabilities and equity	\$ 7,741,539	\$ 11,104,011	\$ 18,874,783	\$(15,358,642)	\$ 22,361,691

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

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	\$ —	\$ 127,868	\$ 2,114,703	\$ —	\$ 2,242,571
Rooms	—	138,042	241,836	—	379,878
Food and beverage	—	54,290	133,783	—	188,073
Mall	—	—	140,556	—	140,556
Convention, retail and other	—	76,985	98,462	(45,686)	129,761
	—	397,185	2,729,340	(45,686)	3,080,839
Less — promotional allowances	(152)	(24,559)	(161,772)	(673)	(187,156)
Net revenues	(152)	372,626	2,567,568	(46,359)	2,893,683
Operating expenses:					
Casino	—	77,301	1,173,330	(770)	1,249,861
Rooms	—	39,148	28,212	—	67,360
Food and beverage	—	28,093	72,836	(973)	99,956
Mall	—	—	14,739	—	14,739
Convention, retail and other	—	20,630	53,867	(7,079)	67,418
Provision for doubtful accounts	—	8,634	24,123	—	32,757
General and administrative	—	83,559	230,841	(283)	314,117
Corporate	28,770	56	45,900	(37,238)	37,488
Pre-opening	—	—	9,629	(2)	9,627
Development	3,153	—	8	(14)	3,147
Depreciation and amortization	6,747	43,180	197,771	—	247,698
Amortization of leasehold interests in land	—	—	9,737	—	9,737
Loss on disposal of assets	—	—	709	—	709
	38,670	300,601	1,861,702	(46,359)	2,154,614
Operating income (loss)	(38,822)	72,025	705,866	—	739,069
Other income (expense):					
Interest income	13	53,008	4,017	(54,880)	2,158
Interest expense, net of amounts capitalized	(2,281)	(26,457)	(93,104)	54,880	(66,962)
Other income (expense)	—	(5,324)	21,599	—	16,275
Income from equity investments in subsidiaries	476,969	363,425	—	(840,394)	—
Income before income taxes	435,879	456,677	638,378	(840,394)	690,540
Income tax benefit (expense)	83,479	(41,512)	(114,314)	—	(72,347)
Net income	519,358	415,165	524,064	(840,394)	618,193
	—	(775)	(98,060)	—	(98,835)

Net income attributable to
noncontrolling interests

Net income attributable to Las Vegas Sands Corp.	\$ 519,358	\$ 414,390	\$ 426,004	\$(840,394)	\$ 519,358
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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 (UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended September 30, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	\$ —	\$ 165,070	\$ 2,732,014	\$ —	\$ 2,897,084
Rooms	—	115,620	271,247	—	386,867
Food and beverage	—	39,497	146,324	—	185,821
Mall	—	—	150,728	—	150,728
Convention, retail and other	—	73,387	100,834	(45,763)	128,458
	—	393,574	3,401,147	(45,763)	3,748,958
Less — promotional allowances	(255)	(23,207)	(191,770)	(604)	(215,836)
Net revenues	(255)	370,367	3,209,377	(46,367)	3,533,122
Operating expenses:					
Casino	—	78,908	1,556,870	(818)	1,634,960
Rooms	—	35,752	30,549	—	66,301
Food and beverage	—	22,595	74,123	(969)	95,749
Mall	—	—	18,032	—	18,032
Convention, retail and other	—	21,668	55,443	(8,278)	68,833
Provision for doubtful accounts	—	10,936	20,167	—	31,103
General and administrative	—	75,457	266,275	(231)	341,501
Corporate	37,084	798	40,887	(36,065)	42,704
Pre-opening	—	36	(2,450)	—	(2,414)
Development	3,039	—	10	(6)	3,043
Depreciation and amortization	4,951	45,368	200,683	—	251,002
Amortization of leasehold interests in land	—	—	10,086	—	10,086
(Gain) loss on disposal of assets	—	(4)	805	—	801
	45,074	291,514	2,271,480	(46,367)	2,561,701
Operating income (loss)	(45,329)	78,853	937,897	—	971,421
Other income (expense):					
Interest income	49	45,699	6,753	(46,892)	5,609
Interest expense, net of amounts capitalized	(1,596)	(27,703)	(84,372)	46,892	(66,779)
Other income (expense)	—	(1,690)	1,785	—	95
Loss on modification or early retirement of debt	—	—	(1,978)	—	(1,978)
Income from equity investments in subsidiaries	708,737	634,464	—	(1,343,201)	—
Income before income taxes	661,861	729,623	860,085	(1,343,201)	908,368
Income tax benefit (expense)	9,844	(46,663)	(11,050)	—	(47,869)

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Net income	671,705	682,960	849,035	(1,343,201)	860,499
Net income attributable to noncontrolling interests	—	(536)	(188,258)	—	(188,794)
Net income attributable to Las Vegas Sands Corp.	\$ 671,705	\$ 682,424	\$ 660,777	\$(1,343,201)	\$ 671,705

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

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Nine Months Ended September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	\$ —	\$ 326,158	\$ 6,594,599	\$ —	\$ 6,920,757
Rooms	—	402,490	700,060	—	1,102,550
Food and beverage	—	163,278	392,624	—	555,902
Mall	—	—	403,652	—	403,652
Convention, retail and other	—	241,850	286,220	(138,658)	389,412
	—	1,133,776	8,377,155	(138,658)	9,372,273
Less — promotional allowances	(598)	(67,051)	(475,899)	(1,999)	(545,547)
Net revenues	(598)	1,066,725	7,901,256	(140,657)	8,826,726
Operating expenses:					
Casino	—	224,463	3,678,237	(2,442)	3,900,258
Rooms	—	113,891	84,100	—	197,991
Food and beverage	—	82,688	216,027	(2,975)	295,740
Mall	—	—	45,217	—	45,217
Convention, retail and other	—	66,044	161,389	(21,793)	205,640
Provision for doubtful accounts	—	26,914	99,249	—	126,163
General and administrative	—	238,292	716,758	(853)	954,197
Corporate	105,962	234	133,629	(112,549)	127,276
Pre-opening	—	—	29,865	(5)	29,860
Development	7,052	—	16	(40)	7,028
Depreciation and amortization	20,441	128,497	601,274	—	750,212
Amortization of leasehold interests in land	—	—	29,060	—	29,060
Loss on disposal of assets	—	2,191	16,399	—	18,590
	133,455	883,214	5,811,220	(140,657)	6,687,232
Operating income (loss)	(134,053)	183,511	2,090,036	—	2,139,494
Other income (expense):					
Interest income	105	151,657	18,020	(157,184)	12,598
Interest expense, net of amounts capitalized	(6,653)	(82,236)	(267,313)	157,184	(199,018)
Other income (expense)	—	(3,446)	35,035	—	31,589
Income from equity investments in subsidiaries	1,461,516	1,177,503	—	(2,639,019)	—
Income before income taxes	1,320,915	1,426,989	1,875,778	(2,639,019)	1,984,663
Income tax benefit (expense)	179,539	(102,604)	(250,876)	—	(173,941)
Net income	1,500,454	1,324,385	1,624,902	(2,639,019)	1,810,722
	—	(2,272)	(307,996)	—	(310,268)

Net income attributable to
noncontrolling interests

Net income attributable to Las Vegas Sands Corp.	\$ 1,500,454	\$ 1,322,113	\$ 1,316,906	\$(2,639,019)	\$ 1,500,454
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LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Nine Months Ended September 30, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Revenues:					
Casino	\$ —	\$ 379,178	\$ 8,902,781	\$ —	\$ 9,281,959
Rooms	—	377,849	784,356	—	1,162,205
Food and beverage	—	153,588	429,216	—	582,804
Mall	—	—	378,832	—	378,832
Convention, retail and other	—	237,578	292,815	(138,730)	391,663
	—	1,148,193	10,788,000	(138,730)	11,797,463
Less — promotional allowances	(996)	(65,530)	(561,457)	(1,624)	(629,607)
Net revenues	(996)	1,082,663	10,226,543	(140,354)	11,167,856
Operating expenses:					
Casino	—	217,495	4,977,715	(2,401)	5,192,809
Rooms	—	108,277	86,405	—	194,682
Food and beverage	—	75,150	219,678	(3,082)	291,746
Mall	—	—	53,104	—	53,104
Convention, retail and other	—	78,304	179,913	(24,252)	233,965
Provision for doubtful accounts	—	26,820	115,870	—	142,690
General and administrative	—	236,831	769,409	(708)	1,005,532
Corporate	124,220	1,736	122,443	(109,895)	138,504
Pre-opening	—	133	17,895	(1)	18,027
Development	8,861	—	106	(15)	8,952
Depreciation and amortization	19,566	136,995	619,504	—	776,065
Amortization of leasehold interests in land	—	—	30,152	—	30,152
(Gain) loss on disposal of assets	—	6,751	(1,829)	—	4,922
	152,647	888,492	7,190,365	(140,354)	8,091,150
Operating income (loss)	(153,643)	194,171	3,036,178	—	3,076,706
Other income (expense):					
Interest income	123	130,747	20,566	(134,327)	17,109
Interest expense, net of amounts capitalized	(4,736)	(84,987)	(252,099)	134,327	(207,495)
Other expense	—	(1,447)	(921)	—	(2,368)
Loss on modification or early retirement of debt	—	—	(19,942)	—	(19,942)
Income from equity investments in subsidiaries	2,183,199	1,950,227	—	(4,133,426)	—
Income before income taxes	2,024,943	2,188,711	2,783,782	(4,133,426)	2,864,010
Income tax benefit (expense)	94,381	(100,749)	(147,571)	—	(153,939)

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Net income	2,119,324	2,087,962	2,636,211	(4,133,426)	2,710,071
Net income attributable to noncontrolling interests	—	(1,612)	(589,135)	—	(590,747)
Net income attributable to Las Vegas Sands Corp.	\$ 2,119,324	\$ 2,086,350	\$ 2,047,076	\$ (4,133,426)	\$ 2,119,324

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

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	\$ 519,358	\$ 415,165	\$ 524,064	\$ (840,394)	\$ 618,193
Currency translation adjustment, before and after tax	(112,743)	(95,366)	(112,314)	208,109	(112,314)
Total comprehensive income	406,615	319,799	411,750	(632,285)	505,879
Comprehensive income attributable to noncontrolling interests	—	(775)	(98,489)	—	(99,264)
Comprehensive income attributable to Las Vegas Sands Corp.	\$ 406,615	\$ 319,024	\$ 313,261	\$ (632,285)	\$ 406,615

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

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	\$ 671,705	\$ 682,960	\$ 849,035	\$ (1,343,201)	\$ 860,499
Currency translation adjustment, before and after tax	(49,299)	(42,807)	(52,349)	92,106	(52,349)
Total comprehensive income	622,406	640,153	796,686	(1,251,095)	808,150
Comprehensive income attributable to noncontrolling interests	—	(536)	(185,208)	—	(185,744)
Comprehensive income attributable to Las Vegas Sands Corp.	\$ 622,406	\$ 639,617	\$ 611,478	\$ (1,251,095)	\$ 622,406

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

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	\$ 1,500,454	\$ 1,324,385	\$ 1,624,902	\$(2,639,019)	\$ 1,810,722
Currency translation adjustment, net of reclassification adjustment and before and after tax	(162,441)	(137,883)	(160,902)	300,324	(160,902)
Total comprehensive income	1,338,013	1,186,502	1,464,000	(2,338,695)	1,649,820
Comprehensive income attributable to noncontrolling interests	—	(2,272)	(309,535)	—	(311,807)
Comprehensive income attributable to Las Vegas Sands Corp.	\$ 1,338,013	\$ 1,184,230	\$ 1,154,465	\$(2,338,695)	\$ 1,338,013

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

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net income	\$ 2,119,324	\$ 2,087,962	\$ 2,636,211	\$(4,133,426)	\$ 2,710,071
Currency translation adjustment, before and after tax	(15,761)	(14,249)	(18,151)	30,010	(18,151)
Total comprehensive income	2,103,563	2,073,713	2,618,060	(4,103,416)	2,691,920
Comprehensive income attributable to noncontrolling interests	—	(1,612)	(586,745)	—	(588,357)
Comprehensive income attributable to Las Vegas Sands Corp.	\$ 2,103,563	\$ 2,072,101	\$ 2,031,315	\$(4,103,416)	\$ 2,103,563

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

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2015

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net cash generated from operating activities	\$ 1,635,949	\$ 2,248,729	\$ 2,286,233	\$ (3,730,425)	\$ 2,440,486
Cash flows from investing activities:					
Change in restricted cash and cash equivalents	—	—	(941)	—	(941)
Capital expenditures	(9,406)	(52,519)	(1,051,042)	—	(1,112,967)
Proceeds from disposal of property and equipment	—	13	810	—	823
Dividends received from non-restricted subsidiaries	—	1,231,308	—	(1,231,308)	—
Repayments of receivable from non-restricted subsidiaries	—	1,964	—	(1,964)	—
Capital contributions to subsidiaries	—	(1,143,708)	—	1,143,708	—
Net cash generated from (used in) investing activities	(9,406)	37,058	(1,051,173)	(89,564)	(1,113,085)
Cash flows from financing activities:					
Proceeds from exercise of stock options	10,015	—	3,294	—	13,309
Excess tax benefit from stock option exercises	2,345	—	—	—	2,345
Repurchase of common stock	(138,418)	—	—	—	(138,418)
Dividends paid	(1,555,103)	—	(619,120)	—	(2,174,223)
Distributions to noncontrolling interests	—	(2,272)	(7,876)	—	(10,148)
Dividends paid to Las Vegas Sands Corp.	—	(1,631,706)	(98,841)	1,730,547	—
Dividends paid to Restricted Subsidiaries	—	—	(3,231,186)	3,231,186	—
Capital contributions received	—	—	1,143,708	(1,143,708)	—
Repayments on borrowings from Restricted Subsidiaries	—	—	(1,964)	1,964	—
Proceeds from 2011 VML credit facility	—	—	999,277	—	999,277
Proceeds from 2013 U.S. credit facility	—	760,000	—	—	760,000
Repayments on 2013 U.S. credit facility	—	(1,496,874)	—	—	(1,496,874)
	—	—	(820,188)	—	(820,188)

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Repayments on 2011 VML credit facility					
Repayments on 2012 Singapore credit facility	—	—	(51,001) —	(51,001)
Repayments on airplane financings	(2,766	) —	—	—	(2,766)
Repayments on HVAC equipment lease and other long-term debt	—	(1,342	) (1,532	) —	(2,874)
Payments of deferred financing costs	—	—	(11,745	) —	(11,745)
Net cash used in financing activities	(1,683,927	) (2,372,194	) (2,697,174	) 3,819,989	(2,933,306)
Effect of exchange rate on cash	—	—	(44,948	) —	(44,948)
Decrease in cash and cash equivalents	(57,384	) (86,407	) (1,507,062	) —	(1,650,853)
Cash and cash equivalents at beginning of period	114,125	345,399	3,046,795	—	3,506,319
Cash and cash equivalents at end of period	\$ 56,741	\$ 258,992	\$ 1,539,733	\$ —	\$ 1,855,466

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

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2014

	LVSC (Non-Guarantor Parent)	Restricted Subsidiaries	Non-Restricted Subsidiaries	Consolidating/ Eliminating Entries	Total
Net cash generated from operating activities	\$ 2,714,186	\$ 2,593,710	\$ 3,481,769	\$ (5,172,169)	\$ 3,617,496
Cash flows from investing activities:					
Change in restricted cash and cash equivalents	—	—	313	—	313
Capital expenditures	(23,824)	(78,763)	(690,527)	—	(793,114)
Proceeds from disposal of property and equipment	—	667	913	—	1,580
Dividends received from non-restricted subsidiaries	—	1,238,236	—	(1,238,236)	—
Repayments of receivable from non-restricted subsidiaries	—	1,615	—	(1,615)	—
Capital contributions to subsidiaries	—	(1,171,006)	—	1,171,006	—
Net cash used in investing activities	(23,824)	(9,251)	(689,301)	(68,845)	(791,221)
Cash flows from financing activities:					
Proceeds from exercise of stock options	40,837	—	7,606	—	48,443
Repurchase of common stock	(1,439,231)	—	—	—	(1,439,231)
Dividends paid	(1,209,808)	—	(776,570)	—	(1,986,378)
Distributions to noncontrolling interests	—	(1,612)	(5,553)	—	(7,165)
Dividends paid to Las Vegas Sands Corp.	—	(2,771,500)	(88,131)	2,859,631	—
Dividends paid to Restricted Subsidiaries	—	—	(3,550,774)	3,550,774	—
Capital contributions received	—	—	1,171,006	(1,171,006)	—
Repayments on borrowings from Restricted Subsidiaries	—	—	(1,615)	1,615	—
Proceeds from 2013 U.S. credit facility	—	1,428,000	—	—	1,428,000
Proceeds from 2011 VML credit facility	—	—	819,725	—	819,725
Repayments on 2013 U.S. credit facility	—	(1,224,875)	—	—	(1,224,875)
Repayments on 2011 VML credit facility	—	—	(819,680)	—	(819,680)
Repayments on airplane financings	(2,766)	—	—	—	(2,766)
	—	(1,797)	(2,760)	—	(4,557)

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Repayments on HVAC equipment lease and other long-term debt					
Payments of deferred financing costs	—	—	(88,167) —	(88,167)
Net cash used in financing activities	(2,610,968)	(2,571,784)	(3,334,913)	5,241,014	(3,276,651)
Effect of exchange rate on cash	—	—	(2,929	) —	(2,929)
Increase (decrease) in cash and cash equivalents	79,394	12,675	(545,374	) —	(453,305)
Cash and cash equivalents at beginning of period	50,180	315,489	3,234,745	—	3,600,414
Cash and cash equivalents at end of period	\$ 129,574	\$ 328,164	\$ 2,689,371	\$—	\$ 3,147,109

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LAS VEGAS SANDS CORP. AND SUBSIDIARIES

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

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

Operations

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

Macao

We own 70.1% of Sands China Ltd. (“SCL”), which includes the operations of The Venetian Macao, Sands Cotai Central, Four Seasons Macao, Sands Macao and other ancillary operations that support these properties. We operate the gaming areas within these properties pursuant to a 20-year gaming subconcession agreement, which expires in June 2022.

We own and operate The Venetian Macao, which anchors the Cotai Strip, our master-planned development of integrated resort properties on an area of approximately 140 acres in Macao. The Venetian Macao includes a 39-floor luxury hotel with over 2,900 suites; approximately 376,000 square feet of gaming space; a 15,000-seat arena; an 1,800-seat theater; a mall with retail and dining space of approximately 925,000 square feet; and a convention center and meeting room complex of approximately 1.2 million square feet. Approximately 81.3% and 85.7% of the gross revenue at The Venetian Macao for the nine months ended September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived from room, mall, food and beverage and other non-gaming sources.

We own the Sands Cotai Central, an integrated resort situated across the street from The Venetian Macao and Four Seasons Macao (which is further described below). The Sands Cotai Central opened in phases, beginning in April 2012. The property currently features three hotel towers: the first hotel tower, consisting of approximately 600 five-star rooms and suites under the Conrad brand and approximately 1,200 four-star rooms and suites under the Holiday Inn brand; the second hotel tower, consisting of approximately 1,800 rooms and suites under the Sheraton brand; and the third hotel tower, consisting of approximately 2,100 rooms and suites under the Sheraton brand. Within Sands Cotai Central, we also own and currently operate approximately 370,000 square feet of gaming space, approximately 350,000 square feet of meeting space and approximately 330,000 square feet of retail space, as well as entertainment and dining facilities. We are constructing the remaining phase of the project, which will include a fourth hotel and mixed-use tower under the St. Regis brand that is expected to open at the end of 2015, subject to Macao government approval. The total cost to complete the remaining phase of the project is expected to be approximately \$290 million. Upon completion of the project, the integrated resort will feature approximately 370,000 square feet of gaming space, approximately 800,000 square feet of retail, dining and entertainment space, over 550,000 square feet of meeting facilities and a multipurpose theater. As of September 30, 2015, we have capitalized costs of \$4.80 billion for the entire project, including the land premium (net of amortization) and \$79.1 million in outstanding construction payables. Approximately 80.9% and 84.8% of the gross revenue at Sands Cotai Central for the nine months ended September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived primarily

from room and food and beverage operations.

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We own the Four Seasons Macao, which is adjacent and connected to The Venetian Macao. The Four Seasons Macao is an integrated resort that includes 360 rooms and suites under the Four Seasons brand and features 19 Paiza mansions; approximately 105,000 square feet of gaming space; retail space of approximately 258,000 square feet, which is connected to the mall at The Venetian Macao; several food and beverage offerings; and conference, banquet and other facilities operated by us. This integrated resort will also feature the Four Seasons Apartment Hotel Macao, Cotai Strip (the “Four Seasons Apartments”), an apart-hotel tower that consists of approximately 1.0 million square feet of Four Seasons-serviced and -branded luxury apart-hotel units and common areas. We have completed the structural work of the tower and are advancing our plans to monetize units within the Four Seasons Apartments. Approximately 74.1% and 83.8% of the gross revenue at the Four Seasons Macao for the nine months ended September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived primarily from mall, room and food and beverage operations.

We own and operate the Sands Macao, the first Las Vegas-style casino in Macao. The Sands Macao includes approximately 241,000 square feet of gaming space; a 289-suite hotel tower; several restaurants; VIP facilities; a theater and other high-end services and amenities. Approximately 92.9% and 94.1% of the gross revenue at the Sands Macao for the nine months ended September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived primarily from food and beverage operations.

Singapore

We own and operate the Marina Bay Sands in Singapore, which features three 55-story hotel towers (totaling approximately 2,600 rooms and suites), the Sands SkyPark (which sits atop the hotel towers and features an infinity swimming pool and several dining options), approximately 160,000 square feet of gaming space, an enclosed retail, dining and entertainment complex of approximately 800,000 net leasable square feet, a convention center and meeting room complex of approximately 1.2 million square feet, theaters and a landmark iconic structure at the bay-front promenade that contains an art/science museum. Approximately 74.7% and 75.0% of the gross revenue at the Marina Bay Sands for the nine months ended September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived from room, food and beverage, mall and other non-gaming sources.

United States

Las Vegas

Our Las Vegas Operating Properties, situated on or near the Las Vegas Strip, consist of The Venetian Las Vegas, a Renaissance Venice-themed resort; The Palazzo, a resort featuring modern European ambience and design; and an expo and convention center of approximately 1.2 million square feet (the “Sands Expo Center”). Our Las Vegas Operating Properties represent an integrated resort with approximately 7,100 suites and approximately 225,000 square feet of gaming space. Our Las Vegas Operating Properties also feature a meeting and conference facility of approximately 1.1 million square feet; Canyon Ranch SpaClub facilities; a Paiza Club, offering services and amenities to premium customers, including luxurious VIP suites, spa facilities and private VIP gaming room facilities; entertainment facilities; and the Grand Canal Shoppes, which consist of two enclosed retail, dining and entertainment complexes that were sold to GGP Limited Partnership (“GGP”). See “Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 2 — Property and Equipment, Net.”

Approximately 72.3% and 68.0% of gross revenue at our Las Vegas Operating Properties for the nine months ended September 30, 2015 and 2014, respectively, was derived from room, food and beverage and other non-gaming sources, with the remainder derived from gaming activities. The percentage of non-gaming revenue reflects the integrated resort’s emphasis on the group convention and trade show business.

Pennsylvania

We own and operate the Sands Bethlehem, a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania. Sands Bethlehem features approximately 145,000 square feet of gaming space; a 300-room hotel tower; a 150,000-square-foot retail facility; an arts and cultural center; and a 50,000-square-foot multipurpose event center. We own 86% of the economic interest in the gaming, hotel and entertainment portion of the property through our ownership interest in Sands Bethworks Gaming LLC and more than 35% of the economic interest in the retail portion of the property through our ownership interest in Sands Bethworks Retail LLC. Approximately 88.5% and 88.3% of the gross revenue at Sands Bethlehem for the nine months ended

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September 30, 2015 and 2014, respectively, was derived from gaming activities, with the remainder derived primarily from food and beverage and other non-gaming sources.

Critical Accounting Policies and Estimates

The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to us and on various other assumptions that management believes to be reasonable under the circumstances. Actual results could vary from those estimates and we may change our estimates and assumptions in future evaluations. Changes in these estimates and assumptions may have a material effect on our financial condition and results of operations. We believe that these critical accounting policies affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements. For a discussion of our significant accounting policies and estimates, please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” presented in our 2014 Annual Report on Form 10-K filed on February 27, 2015. There were no newly identified significant accounting estimates during the nine months ended September 30, 2015, nor were there any material changes to the critical accounting policies and estimates discussed in our 2014 Annual Report.

Recent Accounting Pronouncements

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

Summary Financial Results

The following table summarizes our results of operations:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	Percent Change	2015	2014	Percent Change
	(Dollars in thousands)					
Net revenues	\$2,893,683	\$3,533,122	(18.1)%	\$8,826,726	\$11,167,856	(21.0)%
Operating expenses	2,154,614	2,561,701	(15.9)%	6,687,232	8,091,150	(17.4)%
Operating income	739,069	971,421	(23.9)%	2,139,494	3,076,706	(30.5)%
Income before income taxes	690,540	908,368	(24.0)%	1,984,663	2,864,010	(30.7)%
Net income	618,193	860,499	(28.2)%	1,810,722	2,710,071	(33.2)%
Net income attributable to Las Vegas Sands Corp.	519,358	671,705	(22.7)%	1,500,454	2,119,324	(29.2)%

	Percent of Net Revenues					
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014		2015	2014	
Operating expenses	74.5	% 72.5	%	75.8	% 72.5	%
Operating income	25.5	% 27.5	%	24.2	% 27.5	%
Income before income taxes	23.9	% 25.7	%	22.5	% 25.6	%
Net income	21.4	% 24.4	%	20.5	% 24.3	%
Net income attributable to Las Vegas Sands Corp.	17.9	% 19.0	%	17.0	% 19.0	%

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Operating Results

Key Operating Revenue Measurements

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

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

Casino revenue measurements for Macao and Singapore: Macao and Singapore table games are segregated into two groups, consistent with the Macao and Singapore markets' convention: Rolling Chip play (all VIP players) and Non-Rolling Chip play (mostly non-VIP players). The volume measurement for Rolling Chip play is non-negotiable gaming chips wagered and lost. The volume measurement for Non-Rolling Chip play is table games drop ("drop"), which is the sum of net markers issued (credit instruments), cash deposited in the table drop box and gaming chips purchased at the cage. Rolling Chip and Non-Rolling Chip volume measurements are not comparable as the amounts wagered and lost are substantially higher than the amounts dropped. Slot handle ("handle"), also a volume measurement, is the gross amount wagered for the period cited.

We view Rolling Chip win as a percentage of Rolling Chip volume, Non-Rolling Chip win as a percentage of drop and slot hold as a percentage of slot handle. Win or hold percentage represents the percentage of Rolling Chip volume, Non-Rolling Chip drop or slot handle that is won by the casino and recorded as casino revenue. Based upon our current mix of table games, our Rolling Chip win percentage (calculated before discounts and commissions) is expected to be 2.7% to 3.0% and our Non-Rolling Chip table games have produced a trailing 12-month win percentage (calculated before discounts) of 24.6%, 21.3%, 22.5%, 18.6% and 26.6% at The Venetian Macao, Sands Cotai Central, Four Seasons Macao, Sands Macao and Marina Bay Sands, respectively. Our slot machines have produced a trailing 12-month hold percentage (calculated before slot club cash incentives) of 4.7%, 3.5%, 5.9%, 3.6% and 4.6% at The Venetian Macao, Sands Cotai Central, Four Seasons Macao, Sands Macao and Marina Bay Sands, respectively. Actual win may vary from our expected win percentage and the trailing 12-month win and hold percentages. Generally, slot machine play is conducted on a cash basis. In Macao and Singapore, 23.8% and 32.4%, respectively, of our table games play was conducted on a credit basis for the nine months ended September 30, 2015. Casino revenue measurements for the U.S.: The volume measurements in the U.S. are slot handle, as previously described, and table games drop which is the total amount of cash and net markers issued that are deposited in the table drop box. We view table games win as a percentage of drop and slot hold as a percentage of handle. Based upon our current mix of table games, our table games are expected to produce a win percentage (calculated before discounts) of 21% to 29% for Baccarat and 16% to 20% for non-Baccarat. Table games at Sands Bethlehem have produced a trailing 12-month win percentage of 18.0%. Our slot machines have produced a trailing 12-month hold percentage (calculated before slot club cash incentives) of 8.0% and 7.0% at our Las Vegas Operating Properties and at Sands Bethlehem, respectively. Actual win may vary from our expected win percentage and the trailing 12-month win and hold percentages. As in Macao and Singapore, slot machine play is generally conducted on a cash basis. Approximately 68.5% of our table games play at our Las Vegas Operating Properties, for the nine months ended September 30, 2015, was conducted on a credit basis, while our table games play at Sands Bethlehem was primarily conducted on a cash basis.

Hotel revenue measurements: Performance indicators used are occupancy rate, which is the average percentage of available hotel rooms occupied during a period, and average daily room rate, which is the average price of occupied rooms per day. The calculations of the hotel occupancy and average daily room rates include the impact of rooms provided on a complimentary basis. Complimentary room rates are determined based on an analysis of retail (or cash) room rates by customer segment and type of room product to ensure the complimentary room rates are consistent with retail rates. Revenue per available room represents a summary of hotel average daily room rates and occupancy. Because not all available rooms are occupied, average daily room rates are normally higher than revenue per available room. Reserved rooms where the guests do not show up for their stay and lose their deposit may be re-sold to walk-in guests. These rooms are considered to be occupied twice for statistical purposes due to obtaining the original deposit and the walk-in guest revenue. In cases where a significant number of rooms are resold, occupancy rates may be in

excess of 100% and revenue per available room may be higher than the average daily room rate.

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Mall revenue measurements: Occupancy, base rent per square foot and tenant sales per square foot are used as performance indicators. Occupancy represents gross leasable occupied area (“GLOA”) divided by gross leasable area (“GLA”) at the end of the reporting period. GLOA is the sum of: (1) tenant occupied space under lease and (2) tenants no longer occupying space, but paying rent. GLA does not include space that is currently under development or not on the market for lease. Base rent per square foot is the weighted average base, or minimum, rent charge in effect at the end of the reporting period for all tenants that would qualify to be included in occupancy. Tenant sales per square foot is the sum of reported comparable sales for the trailing 12 months divided by the comparable square footage for the same period. Only tenants that have been open for a minimum of 12 months are included in the tenant sales per square foot calculation.

Three Months Ended September 30, 2015 Compared to the Three Months Ended September 30, 2014

Operating Revenues

Our net revenues consisted of the following:

	Three Months Ended September 30,		Percent Change
	2015	2014	
	(Dollars in thousands)		
Casino	\$2,242,571	\$2,897,084	(22.6)%
Rooms	379,878	386,867	(1.8)%
Food and beverage	188,073	185,821	1.2%
Mall	140,556	150,728	(6.7)%
Convention, retail and other	129,761	128,458	1.0%
	3,080,839	3,748,958	(17.8)%
Less — promotional allowances	(187,156)	(215,836)	13.3%
Total net revenues	\$2,893,683	\$3,533,122	(18.1)%

Consolidated net revenues were \$2.89 billion for the three months ended September 30, 2015, a decrease of \$639.4 million compared to \$3.53 billion for the three months ended September 30, 2014. The decrease in net revenues was driven by a \$680.0 million decrease at our Macao operating properties, primarily due to decreased casino revenues.

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Casino revenues decreased \$654.5 million compared to the three months ended September 30, 2014. The decrease is primarily attributable to decreases of \$644.7 million at our Macao operating properties, driven by decreases in Rolling Chip volume as demand has decreased in the VIP market. The following table summarizes the results of our casino activity:

	Three Months Ended September 30,		
	2015	2014	Change
	(Dollars in thousands)		
Macao Operations:			
The Venetian Macao			
Total casino revenues	\$590,022	\$817,850	(27.9)%
Non-Rolling Chip drop	\$1,741,478	\$2,208,079	(21.1)%
Non-Rolling Chip win percentage	23.4	% 24.7	% (1.3) pts
Rolling Chip volume	\$6,876,423	\$10,127,568	(32.1)%
Rolling Chip win percentage	3.08	% 3.13	% (0.05) pts
Slot handle	\$1,047,762	\$1,440,921	(27.3)%
Slot hold percentage	4.8	% 4.6	% 0.2 pts
Sands Cotai Central			
Total casino revenues	\$475,066	\$727,284	(34.7)%
Non-Rolling Chip drop	\$1,458,718	\$1,891,161	(22.9)%
Non-Rolling Chip win percentage	21.9	% 22.4	% (0.5) pts
Rolling Chip volume	\$4,640,516	\$10,567,167	(56.1)%
Rolling Chip win percentage	3.54	% 3.48	% 0.06 pts
Slot handle	\$1,503,592	\$2,025,051	(25.8)%
Slot hold percentage	3.7	% 3.4	% 0.3 pts
Four Seasons Macao			
Total casino revenues	\$129,574	\$221,425	(41.5)%
Non-Rolling Chip drop	\$280,917	\$320,416	(12.3)%
Non-Rolling Chip win percentage	25.4	% 25.2	% 0.2 pts
Rolling Chip volume	\$2,821,734	\$6,236,875	(54.8)%
Rolling Chip win percentage	3.13	% 3.45	% (0.32) pts
Slot handle	\$111,775	\$214,559	(47.9)%
Slot hold percentage	7.3	% 4.6	% 2.7 pts
Sands Macao			
Total casino revenues	\$200,826	\$273,647	(26.6)%
Non-Rolling Chip drop	\$759,731	\$884,648	(14.1)%
Non-Rolling Chip win percentage	17.2	% 19.1	% (1.9) pts
Rolling Chip volume	\$2,058,074	\$4,318,491	(52.3)%
Rolling Chip win percentage	3.57	% 2.76	% 0.81 pts
Slot handle	\$710,204	\$833,400	(14.8)%
Slot hold percentage	3.7	% 3.6	% 0.1 pts
Singapore Operations:			
Marina Bay Sands			
Total casino revenues	\$584,904	\$573,521	2.0%
Non-Rolling Chip drop	\$1,071,702	\$1,137,411	(5.8)%
Non-Rolling Chip win percentage	27.0	% 25.6	% 1.4 pts
Rolling Chip volume	\$11,436,362	\$9,121,848	25.4%
Rolling Chip win percentage	2.61	% 2.64	% (0.03) pts
Slot handle	\$3,409,324	\$3,126,527	9.0%
Slot hold percentage	4.4	% 4.9	% (0.5) pts

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U.S. Operations:

Las Vegas Operating Properties

Total casino revenues	\$127,868	\$165,069	(22.5)%
Table games drop	\$607,920	\$632,924	(4.0)%
Table games win percentage	16.9	% 24.1	% (7.2) pts
Slot handle	\$593,687	\$573,108	3.6%
Slot hold percentage	8.2	% 8.3	% (0.1) pts

Sands Bethlehem

Total casino revenues	\$134,311	\$118,288	13.5%
Table games drop	\$290,688	\$274,565	5.9%
Table games win percentage	18.7	% 16.2	% 2.5 pts
Slot handle	\$1,114,570	\$1,038,026	7.4%
Slot hold percentage	7.0	% 6.9	% 0.1 pts

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

Room revenues decreased \$7.0 million compared to the three months ended September 30, 2014. The decrease is primarily due to a decrease of \$26.8 million at our Macao operating properties, driven by decreases in occupancy and average daily room rates, offset by an increase of \$22.4 million at our Las Vegas Operating Properties, driven by increases in occupancy and average daily room rates. The suites at Sands Macao are primarily provided to casino patrons on a complimentary basis. The following table summarizes the results of our room activity:

	Three Months Ended September 30,		Change
	2015	2014	
	(Room revenues in thousands)		
Macao Operations:			
The Venetian Macao			
Total room revenues	\$53,611	\$66,634	(19.5)%
Occupancy rate	84.5	% 93.3	% (8.8) pts
Average daily room rate	\$239	\$269	(11.2)%
Revenue per available room	\$202	\$251	(19.5)%
Sands Cotai Central			
Total room revenues	\$68,728	\$81,780	(16.0)%
Occupancy rate	86.5	% 89.5	% (3.0) pts
Average daily room rate	\$152	\$176	(13.6)%
Revenue per available room	\$131	\$157	(16.6)%
Four Seasons Macao			
Total room revenues	\$10,872	\$11,943	(9.0)%
Occupancy rate	86.5	% 88.3	% (1.8) pts
Average daily room rate	\$363	\$391	(7.2)%
Revenue per available room	\$314	\$345	(9.0)%
Sands Macao			
Total room revenues	\$5,956	\$5,657	5.3%
Occupancy rate	99.8	% 99.4	% 0.4 pts
Average daily room rate	\$226	\$219	3.2%
Revenue per available room	\$226	\$218	3.7%
Singapore Operations:			
Marina Bay Sands			
Total room revenues	\$98,660	\$101,640	(2.9)%
Occupancy rate	98.0	% 99.4	% (1.4) pts
Average daily room rate	\$432	\$468	(7.7)%
Revenue per available room	\$423	\$465	(9.0)%
U.S. Operations:			
Las Vegas Operating Properties			
Total room revenues	\$138,042	\$115,619	19.4%
Occupancy rate	96.0	% 91.9	% 4.1 pts
Average daily room rate	\$222	\$204	8.8%
Revenue per available room	\$213	\$187	13.9%
Sands Bethlehem			
Total room revenues	\$4,009	\$3,594	11.5%
Occupancy rate	96.8	% 89.4	% 7.4 pts
Average daily room rate	\$151	\$145	4.1%
Revenue per available room	\$146	\$130	12.3%

Food and beverage revenues increased \$2.3 million compared to the three months ended September 30, 2014. The increase was primarily due to increases of \$17.5 million and \$3.2 million at our Las Vegas Operating Properties

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and at Marina Bay Sands, respectively, partially offset by a decrease of \$18.8 million at our Macao operating properties, driven by a decrease in property visitation.

Mall revenues decreased \$10.2 million compared to the three months ended September 30, 2014. The decrease was primarily due to a \$6.9 million decrease at our Macao operating properties, driven by a decrease in overage rents. For further information related to the financial performance of our malls, see “— Additional Information Regarding our Retail Mall Operations.” The following table summarizes the results of our mall activity:

	Three Months Ended September 30,		
	2015	2014	Change
	(Mall revenues in thousands)		
Macao Operations:			
Shoppes at Venetian			
Total mall revenues	\$50,170	\$50,811	(1.3)%
Mall gross leasable area (in square feet)	779,459	756,261	3.1%
Occupancy	97.7	% 95.6	% 2.1 pts
Base rent per square foot	\$217	\$199	9.0%
Tenant sales per square foot	\$1,540	\$1,579	(2.5)%
Shoppes at Cotai Central⁽¹⁾			
Total mall revenues	\$15,644	\$17,619	(11.2)%
Mall gross leasable area (in square feet)	331,587	329,228	0.7%
Occupancy	97.9	% 97.9	% —
Base rent per square foot	\$149	\$134	11.2%
Tenant sales per square foot	\$938	\$1,472	(36.3)%
Shoppes at Four Seasons			
Total mall revenues	\$31,956	\$36,272	(11.9)%
Mall gross leasable area (in square feet)	258,015	258,254	(0.1)%
Occupancy	100.0	% 97.9	% 2.1 pts
Base rent per square foot	\$451	\$419	7.6%
Tenant sales per square foot	\$3,858	\$5,810	(33.6)%
Singapore Operations:			
The Shoppes at Marina Bay Sands			
Total mall revenues	\$41,542	\$44,822	(7.3)%
Mall gross leasable area (in square feet)	644,590	648,618	(0.6)%
Occupancy	95.5	% 91.7	% 3.8 pts
Base rent per square foot	\$216	\$227	(4.8)%
Tenant sales per square foot	\$1,383	\$1,423	(2.8)%
U.S. Operations:			
The Outlets at Sands Bethlehem			
Total mall revenues	\$1,244	\$1,204	3.3%
Mall gross leasable area (in square feet)	151,029	151,029	—
Occupancy	95.1	% 94.3	% 0.8 pts
Base rent per square foot	\$21	\$22	(4.5)%
Tenant sales per square foot	\$429	\$359	19.5%

(1) The third phase of the Shoppes at Cotai Central opened in June 2014. At completion, the Shoppes at Cotai Central will feature up to 600,000 square feet of gross leasable area.

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Operating Expenses

The breakdown of operating expenses is as follows:

	Three Months Ended September 30,		Percent Change	
	2015	2014		
	(Dollars in thousands)			
Casino	\$1,249,861	\$1,634,960	(23.6)%
Rooms	67,360	66,301	1.6	%
Food and beverage	99,956	95,749	4.4	%
Mall	14,739	18,032	(18.3)%
Convention, retail and other	67,418	68,833	(2.1)%
Provision for doubtful accounts	32,757	31,103	5.3	%
General and administrative	314,117	341,501	(8.0)%
Corporate	37,488	42,704	(12.2)%
Pre-opening	9,627	(2,414	)	N.M.
Development	3,147	3,043	3.4	%
Depreciation and amortization	247,698	251,002	(1.3)%
Amortization of leasehold interests in land	9,737	10,086	(3.5)%
Loss on disposal of assets	709	801	(11.5)%
Total operating expenses	\$2,154,614	\$2,561,701	(15.9)%

N.M. - Not meaningful

Operating expenses were \$2.15 billion for the three months ended September 30, 2015, a decrease of \$407.1 million compared to \$2.56 billion for the three months ended September 30, 2014. The decrease in operating expenses was primarily due to a decrease in casino expenses at our Macao operating properties.

Casino expenses decreased \$385.1 million compared to the three months ended September 30, 2014. Of the decrease, \$314.3 million was due to the 39.0% gross win tax on decreased casino revenues at our Macao operating properties. The remaining decrease is primarily attributable to decreases in junket commissions, as well as the implementation of certain cost control measures at our Macao operating properties.

The provision for doubtful accounts was \$32.8 million for the three months ended September 30, 2015, compared to \$31.1 million for the three months ended September 30, 2014. The amount of this provision can vary over short periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe that the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses decreased \$27.4 million compared to the three months ended September 30, 2014. The decrease was primarily due to a \$26.4 million decrease at our Macao operating properties, driven by a decrease in marketing and advertising expenses, as well as other cost control measures.

Pre-opening expense represents personnel and other costs incurred prior to the opening of new ventures, which are expensed as incurred. Pre-opening expenses for the three months ended September 30, 2015, primarily related to activities at The Parisian Macao and Sands Cotai Central. Development expenses include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are also expensed as incurred.

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Adjusted Property EBITDA

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

	Three Months Ended September 30,		
	2015	2014	Percent Change
	(Dollars in thousands)		
Macao:			
The Venetian Macao	\$256,381	\$352,735	(27.3)%
Sands Cotai Central	170,457	267,031	(36.2)%
Four Seasons Macao	58,785	101,184	(41.9)%
Sands Macao	51,132	88,099	(42.0)%
Other Asia	8,427	3,130	169.2%
	545,182	812,179	(32.9)%
Marina Bay Sands	389,717	351,687	10.8%
United States:			
Las Vegas Operating Properties	79,790	90,183	(11.5)%
Sands Bethlehem	37,530	29,846	25.7%
	117,320	120,029	(2.3)%
Total adjusted property EBITDA	\$1,052,219	\$1,283,895	(18.0)%

Adjusted property EBITDA at our Macao operations decreased \$267.0 million compared to the three months ended September 30, 2014. As previously described, the decrease was primarily due to the decrease in casino operations at our Macao operating properties, driven by decreased demand in the VIP market.

Adjusted property EBITDA at Marina Bay Sands increased \$38.0 million compared to the three months ended September 30, 2014. The increase was primarily due to a \$15.2 million increase in net revenues, driven by an increase in casino revenues, as well as a \$9.1 million decrease in general and administrative expenses, driven by a decrease in property taxes, and a \$6.7 million decrease in provision for doubtful accounts.

Adjusted property EBITDA at our Las Vegas Operating Properties decreased \$10.4 million compared to the three months ended September 30, 2014. The decrease was primarily due to an \$8.1 million increase in general and administrative expenses, as well as increased operating expenses, driven by a \$3.8 million increase in net revenues (excluding intersegment royalty revenue).

Adjusted property EBITDA at Sands Bethlehem increased \$7.7 million compared to the three months ended September 30, 2014. The increase was primarily due to a \$16.7 million increase in net revenues, driven by an increase in casino revenues, partially offset by increases in the associated operating expenses.

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Interest Expense

The following table summarizes information related to interest expense:

	Three Months Ended September 30,	
	2015	2014
	(Dollars in thousands)	
Interest cost (which includes the amortization of deferred financing costs and original issue discount)	\$70,314	\$65,917
Add — imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo	3,796	3,798
Less — capitalized interest	(7,148	) (2,936
Interest expense, net	\$66,962	\$66,779
Cash paid for interest	\$50,993	\$53,500
Weighted average total debt balance	\$9,264,287	\$9,814,146
Weighted average interest rate	3.0	% 2.7

Interest cost remained relatively consistent compared to the three months ended September 30, 2014, due to an increase in our weighted average interest rate, partially offset by a decrease in our weighted average debt balance. Capitalized interest increased \$4.2 million compared to the three months ended September 30, 2014, primarily due to the construction of The Parisian Macao.

Other Factors Effecting Earnings

Other income was \$16.3 million for the three months ended September 30, 2015, compared to \$0.1 million for the three months ended September 30, 2014. The amounts in both periods were primarily due to foreign exchange gains. Our effective income tax rate was 10.5% for the three months ended September 30, 2015, compared to 5.3% for the three months ended September 30, 2014. The effective income tax rates reflect a 17% statutory tax rate on our Singapore operations and a zero percent tax rate on our Macao gaming operations due to our income tax exemption in Macao, effective through the end of 2018. We have recorded a valuation allowance related to certain deferred tax assets generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent that the financial results of these operations improve and it becomes “more-likely-than-not” that these deferred tax assets or a portion thereof are realizable, we will reduce the valuation allowances in the period such determination is made.

The net income attributable to our noncontrolling interests was \$98.8 million for the three months ended September 30, 2015, compared to \$188.8 million for the three months ended September 30, 2014. These amounts are primarily related to the noncontrolling interest of SCL.

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Nine Months Ended September 30, 2015 Compared to the Nine Months Ended September 30, 2014

Operating Revenues

Our net revenues consisted of the following:

	Nine Months Ended September 30,		Percent Change	
	2015	2014		
	(Dollars in thousands)			
Casino	\$6,920,757	\$9,281,959	(25.4)%
Rooms	1,102,550	1,162,205	(5.1)%
Food and beverage	555,902	582,804	(4.6)%
Mall	403,652	378,832	6.6	%
Convention, retail and other	389,412	391,663	(0.6)%
	9,372,273	11,797,463	(20.6)%
Less — promotional allowances	(545,547	) (629,607	) 13.4	%
Total net revenues	\$8,826,726	\$11,167,856	(21.0)%

Consolidated net revenues were \$8.83 billion for the nine months ended September 30, 2015, a decrease of \$2.34 billion compared to \$11.17 billion for the nine months ended September 30, 2014. The decrease in net revenues was driven by a \$2.25 billion decrease at our Macao operating properties, primarily due to decreased casino revenues.

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Casino revenues decreased \$2.36 billion compared to the nine months ended September 30, 2014. The decrease is primarily attributable to a \$2.23 billion decrease at our Macao operating properties, driven by a decrease in Rolling Chip volume as demand has decreased in the VIP market, and a \$117.9 million decrease at Marina Bay Sands, driven by a decrease in Rolling Chip win percentage. The following table summarizes the results of our casino activity:

	Nine Months Ended September 30,		
	2015	2014	Change
	(Dollars in thousands)		
Macao Operations:			
The Venetian Macao			
Total casino revenues	\$ 1,900,537	\$ 2,821,078	(32.6)%
Non-Rolling Chip drop	\$ 5,286,484	\$ 6,853,227	(22.9)%
Non-Rolling Chip win percentage	24.8	% 25.5	% (0.7) pts
Rolling Chip volume	\$ 23,027,366	\$ 37,772,723	(39.0)%
Rolling Chip win percentage	2.99	% 3.38	% (0.39) pts
Slot handle	\$ 3,083,471	\$ 4,239,171	(27.3)%
Slot hold percentage	4.9	% 4.9	% —
Sands Cotai Central			
Total casino revenues	\$ 1,452,450	\$ 2,190,377	(33.7)%
Non-Rolling Chip drop	\$ 4,566,377	\$ 5,573,482	(18.1)%
Non-Rolling Chip win percentage	21.6	% 22.3	% (0.7) pts
Rolling Chip volume	\$ 15,550,062	\$ 38,476,839	(59.6)%
Rolling Chip win percentage	3.20	% 3.05	% 0.15 pts
Slot handle	\$ 4,647,973	\$ 5,813,197	(20.0)%
Slot hold percentage	3.5	% 3.5	% —
Four Seasons Macao			
Total casino revenues	\$ 421,973	\$ 759,304	(44.4)%
Non-Rolling Chip drop	\$ 786,633	\$ 1,039,009	(24.3)%
Non-Rolling Chip win percentage	23.5	% 25.1	% (1.6) pts
Rolling Chip volume	\$ 10,965,061	\$ 21,078,466	(48.0)%
Rolling Chip win percentage	3.19	% 3.43	% (0.24) pts
Slot handle	\$ 372,531	\$ 674,754	(44.8)%
Slot hold percentage	6.0	% 5.0	% 1.0 pts
Sands Macao			
Total casino revenues	\$ 655,597	\$ 887,226	(26.1)%
Non-Rolling Chip drop	\$ 2,318,752	\$ 3,057,842	(24.2)%
Non-Rolling Chip win percentage	18.8	% 18.1	% 0.7 pts
Rolling Chip volume	\$ 6,912,471	\$ 14,350,550	(51.8)%
Rolling Chip win percentage	3.43	% 2.84	% 0.59 pts
Slot handle	\$ 2,075,882	\$ 2,469,042	(15.9)%
Slot hold percentage	3.6	% 3.7	% (0.1) pts
Singapore Operations:			
Marina Bay Sands			
Total casino revenues	\$ 1,782,484	\$ 1,900,401	(6.2)%
Non-Rolling Chip drop	\$ 3,228,081	\$ 3,401,023	(5.1)%
Non-Rolling Chip win percentage	26.6	% 24.6	% 2.0 pts
Rolling Chip volume	\$ 31,032,149	\$ 32,509,839	(4.5)%
Rolling Chip win percentage	2.92	% 3.21	%

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			(0.29)
			pts
Slot handle	\$9,555,428	\$9,243,219	3.4%
Slot hold percentage	4.5	% 4.9	% (0.4) pts
U.S. Operations:			
Las Vegas Operating Properties			
Total casino revenues	\$326,158	\$379,177	(14.0)%
Table games drop	\$1,607,516	\$1,591,423	1.0%
Table games win percentage	15.1	% 20.2	% (5.1) pts
Slot handle	\$1,730,567	\$1,529,893	13.1%
Slot hold percentage	8.1	% 8.4	% (0.3) pts
Sands Bethlehem			
Total casino revenues	\$381,558	\$344,396	10.8%
Table games drop	\$841,048	\$782,766	7.4%
Table games win percentage	17.8	% 16.1	% 1.7 pts
Slot handle	\$3,211,136	\$3,004,831	6.9%
Slot hold percentage	7.0	% 7.0	% —

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

Room revenues decreased \$59.7 million compared to the nine months ended September 30, 2014. The decrease is primarily due to decreases of \$64.9 million at our Macao operating properties and \$20.9 million at Marina Bay Sands, driven by decreased occupancy and average daily room rates, partially offset by a \$24.6 million increase at our Las Vegas Operating Properties, driven by increased occupancy and average daily room rates. The suites at Sands Macao are primarily provided to casino patrons on a complimentary basis. The following table summarizes the results of our room activity:

	Nine Months Ended September 30,		
	2015	2014	Change
	(Room revenues in thousands)		
Macao Operations:			
The Venetian Macao			
Total room revenues	\$164,165	\$193,186	(15.0)%
Occupancy rate	84.2	% 92.2	% (8.0) pts
Average daily room rate	\$249	\$266	(6.4)%
Revenue per available room	\$210	\$246	(14.6)%
Sands Cotai Central			
Total room revenues	\$203,963	\$234,470	(13.0)%
Occupancy rate	82.3	% 87.7	% (5.4) pts
Average daily room rate	\$160	\$174	(8.0)%
Revenue per available room	\$131	\$153	(14.4)%
Four Seasons Macao			
Total room revenues	\$32,447	\$36,614	(11.4)%
Occupancy rate	82.4	% 87.1	% (4.7) pts
Average daily room rate	\$384	\$410	(6.3)%
Revenue per available room	\$316	\$357	(11.5)%
Sands Macao			
Total room revenues	\$17,251	\$18,457	(6.5)%
Occupancy rate	99.3	% 98.2	% 1.1 pts
Average daily room rate	\$224	\$242	(7.4)%
Revenue per available room	\$222	\$238	(6.7)%
Singapore Operations:			
Marina Bay Sands			
Total room revenues	\$270,983	\$291,847	(7.1)%
Occupancy rate	96.2	% 99.3	% (3.1) pts
Average daily room rate	\$408	\$435	(6.2)%
Revenue per available room	\$393	\$431	(8.8)%
U.S. Operations:			
Las Vegas Operating Properties			
Total room revenues	\$402,490	\$377,849	6.5%
Occupancy rate	91.7	% 90.3	% 1.4 pts
Average daily room rate	\$232	\$222	4.5%
Revenue per available room	\$212	\$201	5.5%
Sands Bethlehem			
Total room revenues	\$11,251	\$9,782	15.0%
Occupancy rate	91.1	% 81.9	% 9.2 pts
Average daily room rate	\$151	\$145	4.1%

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Revenue per available room	\$137	\$119	15.1%
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Food and beverage revenues decreased \$26.9 million compared to the nine months ended September 30, 2014. The decrease was primarily due to a \$42.0 million decrease at our Macao operating properties, driven by a decrease in

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property visitation, partially offset by a \$17.1 million increase at our Las Vegas Operating Properties, driven by an increase in banquet operations.

Mall revenues increased \$24.8 million compared to the nine months ended September 30, 2014. The increase was primarily due to a \$26.5 million increase at our Macao operating properties, driven by an increase in base rents. For further information related to the financial performance of our malls, see “— Additional Information Regarding our Retail Mall Operations.” The following table summarizes the results of our mall activity:

	Nine Months Ended September 30, ⁽¹⁾		
	2015	2014	Change
	(Mall revenues in thousands)		
Macao Operations:			
Shoppes at Venetian			
Total mall revenues	\$142,680	\$130,943	9.0%
Mall gross leasable area (in square feet)	779,459	756,261	3.1%
Occupancy	97.7	% 95.6	% 2.1 pts
Base rent per square foot	\$217	\$199	9.0%
Tenant sales per square foot	\$1,540	\$1,579	(2.5)%
Shoppes at Cotai Central⁽²⁾			
Total mall revenues	\$43,678	\$37,515	16.4%
Mall gross leasable area (in square feet)	331,587	329,228	0.7%
Occupancy	97.9	% 97.9	% —
Base rent per square foot	\$149	\$134	11.2%
Tenant sales per square foot	\$938	\$1,472	(36.3)%
Shoppes at Four Seasons			
Total mall revenues	\$92,759	\$84,113	10.3%
Mall gross leasable area (in square feet)	258,015	258,254	(0.1)%
Occupancy	100.0	% 97.9	% 2.1 pts
Base rent per square foot	\$451	\$419	7.6%
Tenant sales per square foot	\$3,858	\$5,810	(33.6)%
Singapore Operations:			
The Shoppes at Marina Bay Sands			
Total mall revenues	\$121,760	\$123,602	(1.5)%
Mall gross leasable area (in square feet)	644,590	648,618	(0.6)%
Occupancy	95.5	% 91.7	% 3.8 pts
Base rent per square foot	\$216	\$227	(4.8)%
Tenant sales per square foot	\$1,383	\$1,423	(2.8)%
U.S. Operations:			
The Outlets at Sands Bethlehem			
Total mall revenues	\$2,775	\$2,659	4.4%
Mall gross leasable area (in square feet)	151,029	151,029	—
Occupancy	95.1	% 94.3	% 0.8 pts
Base rent per square foot	\$21	\$22	(4.5)%
Tenant sales per square foot	\$429	\$359	19.5%

As GLA, occupancy, base rent per square foot and tenant sales per square foot are calculated as of September 30, (1)2015 and 2014, they are identical to the summary presented herein for the three months ended September 30, 2015 and 2014, respectively.

(2) The third phase of the Shoppes at Cotai Central opened in June 2014. At completion, the Shoppes at Cotai Central will feature up to 600,000 square feet of gross leasable area.

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Operating Expenses

The breakdown of operating expenses is as follows:

	Nine Months Ended September 30,			
	2015	2014	Percent	
	(Dollars in thousands)			
Casino	\$3,900,258	\$5,192,809	(24.9))%
Rooms	197,991	194,682	1.7	%
Food and beverage	295,740	291,746	1.4	%
Mall	45,217	53,104	(14.9))%
Convention, retail and other	205,640	233,965	(12.1))%
Provision for doubtful accounts	126,163	142,690	(11.6))%
General and administrative	954,197	1,005,532	(5.1))%
Corporate	127,276	138,504	(8.1))%
Pre-opening	29,860	18,027	65.6	%
Development	7,028	8,952	(21.5))%
Depreciation and amortization	750,212	776,065	(3.3))%
Amortization of leasehold interests in land	29,060	30,152	(3.6))%
Loss on disposal of assets	18,590	4,922	277.7	%
Total operating expenses	\$6,687,232	\$8,091,150	(17.4))%

Operating expenses were \$6.69 billion for the nine months ended September 30, 2015, a decrease of \$1.40 billion compared to \$8.09 billion for the nine months ended September 30, 2014. The decrease in operating expenses was primarily due to a decrease in casino expenses at our Macao operating properties.

Casino expenses decreased \$1.29 billion compared to the nine months ended September 30, 2014. Of the decrease, \$1.10 billion was due to the 39.0% gross win tax on decreased casino revenues at our Macao operating properties. The remaining decrease is primarily attributable to decreases in junket commissions, as well as the implementation of certain cost control measures at our Macao operating properties.

Convention, retail and other expenses decreased \$28.3 million compared to the nine months ended September 30, 2014. The decrease was primarily due to decreases of \$10.5 million and \$6.9 million at our Las Vegas Operating Properties and our Macao operating properties, respectively, driven by a decrease in entertainment expenses, and a \$9.8 million decrease in our passenger ferry service operations in Macao.

The provision for doubtful accounts was \$126.2 million for the nine months ended September 30, 2015, compared to \$142.7 million for the nine months ended September 30, 2014. The amount of this provision can vary over short periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe that the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses decreased \$51.3 million compared to the nine months ended September 30, 2014. The decrease was primarily due to a \$27.2 million decrease at our Macao operating properties, driven by a decrease in marketing and advertising expenses, and a \$25.8 million decrease at Marina Bay Sands, driven by a decrease in property taxes.

Pre-opening expense represents personnel and other costs incurred prior to the opening of new ventures, which are expensed as incurred. Pre-opening expenses for the nine months ended September 30, 2015, primarily related to activities at The Parisian Macao and at Sands Cotai Central. Development expenses include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are also expensed as incurred.

The loss on disposal of assets of \$18.6 million for the nine months ended September 30, 2015, primarily related to dispositions at our Macao operating properties.

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Adjusted Property EBITDA

The following table summarizes information related to our segments (see “Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 10 — Segment Information” for discussion of our operating segments and a reconciliation of adjusted property EBITDA to net income):

	Nine Months Ended September 30,		
	2015	2014	Percent Change
	(Dollars in thousands)		
Macao:			
The Venetian Macao	\$781,313	\$1,224,876	(36.2)%
Sands Cotai Central	490,577	781,210	(37.2)%
Four Seasons Macao	177,591	282,179	(37.1)%
Sands Macao	174,794	261,856	(33.2)%
Other Asia	16,780	1,248	N.M.
	1,641,055	2,551,369	(35.7)%
Marina Bay Sands	1,168,243	1,204,626	(3.0)%
United States:			
Las Vegas Operating Properties	208,065	235,950	(11.8)%
Sands Bethlehem	101,522	84,292	20.4%
	309,587	320,242	(3.3)%
Total adjusted property EBITDA	\$3,118,885	\$4,076,237	(23.5)%

N.M. - Not meaningful

Adjusted property EBITDA at our Macao operations decreased \$910.3 million compared to the nine months ended September 30, 2014. As previously described, the decrease was primarily due to the decrease in casino operations at our Macao operating properties, driven by decreased demand in the VIP market.

Adjusted property EBITDA at Marina Bay Sands decreased \$36.4 million compared to the nine months ended September 30, 2014. As previously described, the decrease was primarily due to the decrease in casino operations.

Adjusted property EBITDA at our Las Vegas Operating Properties decreased \$27.9 million compared to the nine months ended September 30, 2014. The decrease was primarily due to a \$53.0 million decrease in casino revenues, offset by increases in our non-gaming operations, primarily rooms and food and beverage.

Adjusted property EBITDA at Sands Bethlehem increased \$17.2 million compared to the nine months ended September 30, 2014. The increase was primarily due to a \$38.6 million increase in net revenues, driven by an increase in casino revenues, partially offset by increases in the associated operating expenses.

Interest Expense

The following table summarizes information related to interest expense:

	Nine Months Ended September 30,	
	2015	2014
	(Dollars in thousands)	
Interest cost (which includes the amortization of deferred financing costs and original issue discounts)	\$204,435	\$202,287
Add — imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo	11,392	11,392
Less — capitalized interest	(16,809)	(6,184)
Interest expense, net	\$199,018	\$207,495
Cash paid for interest	\$169,469	\$167,246
Weighted average total debt balance	\$9,510,947	\$10,000,850

Weighted average interest rate	2.9	%	2.7	%
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Interest cost decreased \$2.1 million compared to the nine months ended September 30, 2014, resulting from a decrease in our weighted average debt balance, partially offset by a slight increase in our weighted average interest rate. Capitalized interest increased \$10.6 million compared to the nine months ended September 30, 2014, primarily due to the construction of The Parisian Macao.

Other Factors Effecting Earnings

Other income was \$31.6 million for the nine months ended September 30, 2015, compared to other expense of \$2.4 million for the nine months ended September 30, 2014. The amounts in both periods were primarily due to foreign exchange gains and losses.

The loss on modification or early retirement of debt of \$19.9 million for the nine months ended September 30, 2014, was primarily related to the refinancing of our 2011 VML Credit Facility in March 2014.

Our effective income tax rate was 8.8% for the nine months ended September 30, 2015, compared to 5.4% for the nine months ended September 30, 2014. The effective income tax rates reflect a 17% statutory tax rate on our Singapore operations and a zero percent tax rate on our Macao gaming operations due to our income tax exemption in Macao, effective through the end of 2018. We have recorded a valuation allowance related to certain deferred tax assets generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent that the financial results of these operations improve and it becomes “more-likely-than-not” that these deferred tax assets or a portion thereof are realizable, we will reduce the valuation allowances in the period such determination is made.

The net income attributable to our noncontrolling interests was \$310.3 million for the nine months ended September 30, 2015, compared to \$590.7 million for the nine months ended September 30, 2014. These amounts are primarily related to the noncontrolling interest of SCL.

Additional Information Regarding our Retail Mall Operations

We own and operate retail malls at our integrated resorts at The Venetian Macao, Sands Cotai Central, Four Seasons Macao, Marina Bay Sands and Sands Bethlehem. Management believes that being in the retail mall business and, specifically, owning some of the largest retail properties in Asia will provide meaningful value for us, particularly as the retail market in Asia continues to grow.

Our malls are designed to complement our other unique amenities and service offerings provided by our integrated resorts. Our strategy is to seek out desirable tenants that appeal to our customers and provide a wide variety of shopping options. We generate our mall revenues primarily from leases with tenants through minimum base rents, overage rents, and reimbursements for common area maintenance (“CAM”) and other expenditures.

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The following tables summarize the results of our mall operations for the three and nine months ended September 30, 2015 and 2014 (in thousands):

	Shoppes at Venetian	Shoppes at Four Seasons	Shoppes at Cotai Central	The Shoppes at Marina Bay Sands	The Outlets at Sands Bethlehem ⁽¹⁾	Total
For the three months ended September 30, 2015						
Mall revenues:						
Minimum rents ⁽²⁾	\$37,864	\$27,544	\$10,846	\$30,922	\$425	\$107,601
Overage rents	4,909	2,129	1,606	4,260	819	13,723
CAM, levies and direct recoveries	7,397	2,283	3,192	6,360	—	19,232
Total mall revenues	50,170	31,956	15,644	41,542	1,244	140,556
Mall operating expenses:						
Common area maintenance	4,032	1,498	1,692	2,217	205	9,644
Marketing and other direct operating expenses	1,227	382	348	2,958	180	5,095
Mall operating expenses	5,259	1,880	2,040	5,175	385	14,739
Property taxes	—	—	—	1,163	329	1,492
Provision for (recovery of) doubtful accounts	76	36	(13	) 187	—	286
Mall-related expenses ⁽³⁾	\$5,335	\$1,916	\$2,027	\$6,525	\$714	\$16,517
For the three months ended September 30, 2014						
Mall revenues:						
Minimum rents ⁽²⁾	\$32,793	\$23,512	\$9,696	\$31,497	\$396	\$97,894
Overage rents	11,111	10,772	4,873	4,844	808	32,408
CAM, levies and direct recoveries	6,907	1,988	3,050	8,481	—	20,426
Total mall revenues	50,811	36,272	17,619	44,822	1,204	150,728
Mall operating expenses:						
Common area maintenance	4,538	1,599	1,816	6,352	307	14,612
Marketing and other direct operating expenses	1,334	215	356	1,412	103	3,420
Mall operating expenses	5,872	1,814	2,172	7,764	410	18,032
Property taxes	—	—	—	1,778	313	2,091
Provision for (recovery of) doubtful accounts	(68) 47	1	218	—	198
Mall-related expenses ⁽³⁾	5,804	1,861	2,173	9,760	723	20,321

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	Shoppes at Venetian	Shoppes at Four Seasons	Shoppes at Cotai Central	The Shoppes at Marina Bay Sands	The Outlets at Sands Bethlehem ⁽¹⁾	Total
For the nine months ended September 30, 2015						
Mall revenues:						
Minimum rents ⁽²⁾	\$111,679	\$81,893	\$31,378	\$91,267	\$1,099	\$317,316
Overage rents	9,062	3,983	2,693	10,328	1,676	27,742
CAM, levies and direct recoveries	21,939	6,883	9,607	20,165	—	58,594
Total mall revenues	142,680	92,759	43,678	121,760	2,775	403,652
Mall operating expenses:						
Common area maintenance	11,454	4,372	4,879	14,089	724	35,518
Marketing and other direct operating expenses	4,047	947	1,337	2,944	424	9,699
Mall operating expenses	15,501	5,319	6,216	17,033	1,148	45,217
Property taxes	—	—	—	3,393	975	4,368
Provision for (recovery of) doubtful accounts	125	(47)	321	171	—	570
Mall-related expenses ⁽³⁾	\$15,626	\$5,272	\$6,537	\$20,597	\$2,123	\$50,155
For the nine months ended September 30, 2014						
Mall revenues:						
Minimum rents ⁽²⁾	\$95,581	\$63,894	\$22,005	\$90,747	\$1,135	\$273,362
Overage rents	15,196	14,610	7,526	10,440	1,524	49,296
CAM, levies and direct recoveries	20,166	5,609	7,984	22,415	—	56,174
Total mall revenues	130,943	84,113	37,515	123,602	2,659	378,832
Mall operating expenses:						
Common area maintenance	13,242	4,316	4,786	18,624	939	41,907
Marketing and other direct operating expenses	5,144	1,017	1,030	3,624	382	11,197
Mall operating expenses	18,386	5,333	5,816	22,248	1,321	53,104
Property taxes ⁽⁴⁾	(1,488)	—	—	5,297	887	4,696
Provision for (recovery of) doubtful accounts	199	159	(20)	990	—	1,328
Mall-related expenses ⁽³⁾	17,097	5,492	5,796	28,535	2,208	59,128

(1) Revenues from CAM, levies and direct recoveries are included in minimum rents for The Outlets at Sands Bethlehem.

(2) Minimum rents include base rents and straight-line adjustments of base rents.

Mall-related expenses consist of CAM, marketing fees and other direct operating expenses, property taxes and

(3) provision for (recovery of) doubtful accounts, but excludes depreciation and amortization and general and administrative costs.

(4) Commercial property that generates rental income is exempt from property tax for the first six years for newly constructed buildings in Cotai. This property tax exemption expired in August 2013 for The Venetian Macao. In May 2014, the Company received an additional six-year property tax exemption for The Venetian Macao. As a result, the Company reversed \$2.6 million of previously recognized property taxes during the three months ended

June 30, 2014.

It is common in the mall operating industry for companies to disclose mall net operating income (“NOI”) as a useful supplemental measure of a mall’s operating performance. Because NOI excludes general and administrative expenses, interest expense, impairment losses, depreciation and amortization, gains and losses from property dispositions, allocations to noncontrolling interests and provision for income taxes, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact on operations from trends in occupancy rates, rental rates and operating costs.

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In the tables above, we believe that taking total mall revenues less mall-related expenses provides an operating performance measure for our malls. Other mall operating companies may use different methodologies for deriving mall-related expenses. As such, this calculation may not be comparable to the NOI of other mall operating companies.

Development Projects

Macao

We submitted plans to the Macao government for The Parisian Macao, an integrated resort that will be connected to The Venetian Macao and Four Seasons Macao. The Parisian Macao is intended to include a gaming area (to be operated under our gaming subconcession), a hotel with over 3,000 rooms and suites and retail, entertainment, dining and meeting facilities. We have commenced construction and expect the cost to design, develop and construct The Parisian Macao to be approximately \$2.7 billion, inclusive of payments made for the land premium. As with projects of this nature, we will continue to analyze options for both a full and phased opening of the facility, which is anticipated to open in the second half of 2016, subject to Macao government approval. We have capitalized costs of \$1.39 billion, including the land premium (net of amortization) and \$161.5 million in outstanding construction payables, as of September 30, 2015. In addition, we will be completing the development of some public areas surrounding our Cotai Strip properties on behalf of the Macao government.

As of September 30, 2015, we have capitalized an aggregate of \$10.81 billion in construction costs and land premiums (net of amortization) for our Cotai Strip developments, which include The Venetian Macao, Sands Cotai Central, Four Seasons Macao and The Parisian Macao, as well as our investments in transportation infrastructure, including our passenger ferry service operations.

Land concessions in Macao generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macao law. We have received land concessions from the Macao government to build on the sites on which The Venetian Macao, Sands Cotai Central, Four Seasons Macao and The Parisian Macao 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 for each parcel, which are either payable in a single lump sum upon acceptance of the land concessions by the Macao government or in seven semi-annual installments, as well as annual rent for the term of the land concessions.

Under our land concession for The Parisian Macao, we are required to complete the development by April 2016. The land concession for Sands Cotai Central contains a similar requirement that the development be completed by December 2016. We have applied for an extension from the Macao government to complete The Parisian Macao, as we believe we will be unable to meet the April 2016 deadline. Should we determine that we are unable to complete Sands Cotai Central by December 2016, we would then also expect to apply for another extension from the Macao government. If we are unable to meet the Sands Cotai Central deadline and the deadlines for either development are not extended, we could lose our land concessions for The Parisian Macao or Sands Cotai Central, which would prohibit us from operating any facilities developed under the respective land concessions. As a result, we could record a charge for all or some portion of the \$1.39 billion or \$4.80 billion in capitalized construction costs and land premiums (net of amortization), as of September 30, 2015, related to The Parisian Macao and Sands Cotai Central, respectively.

United States

We were constructing a high-rise residential condominium tower (the "Las Vegas Condo Tower"), located on the Las Vegas Strip between The Palazzo and The Venetian Las Vegas. We suspended our construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. We intend to recommence construction when demand and conditions improve. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty. Should demand and conditions fail to improve or management decides to abandon the project, we could record a charge for some portion of the \$178.6 million in capitalized construction costs as of September 30, 2015.

Other

We continue to aggressively pursue new development opportunities globally.

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Liquidity and Capital Resources

Cash Flows — Summary

Our cash flows consisted of the following:

	Nine Months Ended September 30,	
	2015	2014
	(In thousands)	
Net cash generated from operating activities	\$2,440,486	\$3,617,496
Cash flows from investing activities:		
Change in restricted cash and cash equivalents	(941	) 313
Capital expenditures	(1,112,967	) (793,114
Proceeds from disposal of property and equipment	823	1,580
Net cash used in investing activities	(1,113,085	) (791,221
Cash flows from financing activities:		
Proceeds from exercise of stock options	13,309	48,443
Excess tax benefits from stock-based compensation	2,345	—
Repurchase of common stock	(138,418	) (1,439,231
Dividends paid	(2,174,223	) (1,986,378
Distributions to noncontrolling interests	(10,148	) (7,165
Proceeds from long-term debt	1,759,277	2,247,725
Repayments on long-term debt	(2,373,703	) (2,051,878
Payments of deferred financing costs	(11,745	) (88,167
Net cash used in financing activities	(2,933,306	) (3,276,651
Effect of exchange rate on cash	(44,948	) (2,929
Decrease in cash and cash equivalents	\$(1,650,853	) \$(453,305
Cash Flows — Operating Activities		

Table games play at our properties is conducted on a cash and credit basis. Slot machine play is primarily conducted on a cash basis. The retail hotel rooms business is generally conducted on a cash basis, the group hotel rooms business is conducted on a cash and credit basis, and banquet business is conducted primarily on a credit basis resulting in operating cash flows being generally affected by changes in operating income and accounts receivable. Net cash generated from operating activities for the nine months ended September 30, 2015, decreased \$1.18 billion compared to the nine months ended September 30, 2014. The decrease was primarily attributable to the decrease in operating cash flows generated from our Macao operations.

Cash Flows — Investing Activities

Capital expenditures for the nine months ended September 30, 2015, totaled \$1.11 billion, including \$938.4 million for construction and development activities in Macao, which consisted primarily of \$519.8 million for The Parisian Macao and \$333.4 million for Sands Cotai Central; \$96.7 million in Singapore; \$55.0 million at our Las Vegas Operating Properties; and \$22.9 million for corporate and other activities.

Cash Flows — Financing Activities

Net cash flows used in financing activities were \$2.93 billion for the nine months ended September 30, 2015, which was primarily attributable to \$2.17 billion in dividend payments and a net repayment of \$736.9 million on our 2013 U.S Credit Facility, partially offset by net proceeds of \$179.1 million on our 2011 VML Credit Facility.

As of September 30, 2015, we had \$3.30 billion available for borrowing under our U.S., Macao and Singapore credit facilities, net of outstanding letters of credit.

Capital Financing Overview

Through September 30, 2015, we have funded our development projects primarily through borrowings under our U.S., Macao and Singapore credit facilities, operating cash flows, proceeds from our equity offerings and proceeds from the disposition of non-core assets.

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Our U.S., Macao and Singapore credit facilities contain various financial covenants. The U.S. credit facility requires our Las Vegas operations to comply with a financial covenant at the end of each quarter to the extent that any revolving loans or certain letters of credit are outstanding. This financial covenant requires our Las Vegas operations 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"). The maximum leverage ratio is 5.5x for all quarterly periods through maturity. We can elect to contribute cash on hand to our Las Vegas operations on a bi-quarterly basis; such contributions having the effect of increasing Adjusted EBITDA during the applicable quarter for purposes of calculating compliance with the maximum leverage ratio. Our Macao credit facility, which was amended in March 2014, also requires our Macao operations to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 4.5x for the quarterly period ended September 30, 2015, decreases to 4.0x for the quarterly periods ending December 31, 2015 through March 31, 2017, and then decreases to, and remains at, 3.5x for all quarterly periods thereafter through maturity. Our Singapore credit facility, which was amended in August 2014, requires operations of Marina Bay Sands to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA. The maximum leverage ratio is 3.5x for the quarterly periods ending September 30, 2015 through September 30, 2019, and then decreases to, and remains at, 3.0x for all quarterly periods thereafter through maturity. As of September 30, 2015, our U.S., Macao and Singapore leverage ratios were 0.8x, 1.4x and 2.1x, respectively, compared to the maximum leverage ratios allowed of 5.5x, 4.5x and 3.5x, respectively. 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 the U.S. credit facility would trigger a cross-default under our airplane 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 repay or refinance any amounts that may become due and payable under such agreements, which could force us to restructure or alter our operations or debt obligations.

We held unrestricted cash and cash equivalents of approximately \$1.86 billion and restricted cash and cash equivalents of approximately \$7.5 million as of September 30, 2015, of which approximately \$1.49 billion of the unrestricted amount is held by non-U.S. subsidiaries. Of the \$1.49 billion, approximately \$1.18 billion is available to be repatriated to the U.S. with minimal taxes owed on such amounts due to the significant foreign taxes we paid, which would ultimately generate U.S. foreign tax credits if cash is repatriated. The remaining unrestricted amounts are not available for repatriation primarily due to dividend requirements to third party public shareholders in the case of funds being repatriated from SCL. We believe the cash on hand and cash flow generated from operations will be sufficient to maintain compliance with the financial covenants of our credit facilities. We may elect to arrange additional financing to fund the balance of our Cotai Strip developments. In the normal course of our activities, we will continue to evaluate our capital structure and opportunities for enhancements thereof.

In April 2015, we entered into a joinder agreement (the "Joinder Agreement") to the 2011 VML Credit Facility. Under the Joinder Agreement, certain lenders agreed to provide term loan commitments of \$1.0 billion (the "2011 VML Accordion Term"), which was funded on April 30, 2015 (see "Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 3 — Long-term Debt — 2011 VML Credit Facility"). During the nine months ended September 30, 2015, we made net repayments of \$820.2 million and \$720.0 million on our 2011 VML and 2013 U.S. Revolving Facilities, respectively.

On February 27 and July 15, 2015, SCL paid a dividend of 0.99 Hong Kong dollars ("HKD") and HKD 1.00 per share, respectively, to SCL shareholders (a total of \$2.07 billion, of which the Company retained \$1.45 billion). On March 31, June 30 and September 30, 2015, we paid a dividend of \$0.65 per common share as part of a regular cash dividend program. During the nine months ended September 30, 2015, we recorded \$1.56 billion as a distribution against retained earnings (of which \$841.8 million related to our Principal Stockholder's family and the remaining \$713.4 million related to all other shareholders). In October 2015, our Board of Directors declared a quarterly dividend of \$0.65 per common share (a total estimated to be approximately \$517 million) to be paid on December 31, 2015, to shareholders of record on December 22, 2015. In October 2015, we announced that our Board of Directors

increased the dividend for the 2016 calendar year to \$2.88 per common share, or \$0.72 per common share per quarter. In June 2013, our Board of Directors approved a stock repurchase program with an initial authorization of \$2.0 billion, which expired in June 2015, but was substantially completed during the year ended December 31, 2014. In October 2014, our Board of Directors authorized the repurchase of an additional \$2.0 billion of our outstanding common

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stock, which expires in October 2016. Repurchases of our common stock are made at our discretion in accordance with applicable federal securities laws in the open market or otherwise. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including our financial position, earnings, legal requirements, other investment opportunities and market conditions. During the nine months ended September 30, 2015, we repurchased 3,036,121 shares of our common stock for \$145.0 million (including commissions) under this program. All share repurchases of our common stock have been recorded as treasury stock.

Aggregate Indebtedness and Other Known Contractual Obligations

As of September 30, 2015, there had been no material changes to our aggregated indebtedness and other known contractual obligations, which are set forth in the table included in our Annual Report on Form 10-K for the year ended December 31, 2014, with the exception of the following:

proceeds of \$999.3 million on our 2011 VML Accordion Term (which matures March 30, 2021, and requires quarterly payments commencing June 30, 2018, see “Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 3 — Long-term Debt — 2011 VML Credit Facility”);

repayments of \$820.2 million on our Extended 2011 VML Revolving Facility (which would have matured in March 2020 with no interim amortization); and

net repayments of \$720.0 million on our 2013 U.S. Revolving Facility (which would have matured in December 2018 with no interim amortization).

Restrictions on Distributions

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

Inflation

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

Special Note Regarding Forward-Looking Statements

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

general economic and business conditions in the U.S. and internationally, which may impact levels of disposable income, consumer spending, group meeting business, pricing of hotel rooms and retail and mall sales;

our leverage, debt service and debt covenant compliance, including the pledge of our assets (other than our equity interests in our subsidiaries) as security for our indebtedness;

disruptions in the global financing markets and our ability to obtain sufficient funding for our current and future developments;

the extensive regulations to which we are subject to and the costs of compliance with such regulations;

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increased competition for labor and materials due to other planned construction projects in Macao and quota limits on the hiring of foreign workers;

our ability to meet certain development deadlines;

the uncertainty of tourist behavior related to discretionary spending and vacationing at casino-resorts in Macao, Singapore, Las Vegas and Pennsylvania;

regulatory policies in mainland China or other countries in which our customers reside, including visa restrictions limiting the number of visits or the length of stay for visitors from mainland China to Macao, restrictions on foreign currency exchange or importation of currency, and the judicial enforcement of gaming debts;

our dependence upon properties primarily in Macao, Singapore and Las Vegas for all of our cash flow;

our relationship with GGP or any successor owner of the Grand Canal Shoppes;

new developments, construction and ventures, including our Cotai Strip developments;

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

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

disruptions or reductions in travel, as well as disruptions in our operations, due to natural or man-made disasters, outbreaks of infectious diseases, terrorist activity or war;

our ability to collect gaming receivables from our credit players;

our dependence on chance and theoretical win rates;

fraud and cheating;

our ability to establish and protect our IP rights;

conflicts of interest that arise because certain of our directors and officers are also directors of SCL;

government regulation of the casino industry (as well as new laws and regulations and changes to existing laws and regulations), including gaming license regulation, the requirement for certain beneficial owners of our securities to be found suitable by gaming authorities, the legalization of gaming in other jurisdictions and regulation of gaming on the Internet;

increased competition in Macao and Las Vegas, including recent and upcoming increases in hotel rooms, meeting and convention space, retail space, potential additional gaming licenses and online gaming;

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

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

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

the continued services of our key management and personnel;

any potential conflict between the interests of our Principal Stockholder and us;

the ability of our subsidiaries to make distribution payments to us;

our failure to maintain the integrity of our customer or company data, including against past or future cybersecurity attacks, and any litigation or disruption to our operations resulting from such loss of data integrity;

the completion of infrastructure projects in Macao; and

the outcome of any ongoing and future litigation.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us.

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Readers are cautioned not to place undue reliance on these forward-looking statements. We assume no obligation to update any forward-looking statements after the date of this report as a result of new information, future events or developments, except as required by federal securities laws.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our variable rate long-term debt, which we may manage through the use of interest rate cap agreements. We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. As of September 30, 2015, our derivative financial instruments consist exclusively of interest rate cap agreements, which do not qualify for hedge accounting. Interest differentials resulting from these agreements are recorded on an accrual basis as an adjustment to interest expense.

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

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents notional amounts and weighted average interest rates by contractual maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged under the contract. Weighted average variable rates are based on September 30, 2015, LIBOR, HIBOR and SOR plus the applicable interest rate spread in accordance with the respective debt agreements. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency, for the twelve months ending September 30:

	2016	2017	2018	2019	2020	Thereafter	Total	Fair Value ⁽¹⁾
	(Dollars in millions)							
LIABILITIES								
Long-term debt								
Variable rate	\$90.6	\$263.6	\$495.4	\$1,929.1	\$3,780.4	\$2,558.1	\$9,117.2	\$8,939.9
Average interest rate ⁽²⁾	2.9	% 2.1	% 1.9	% 2.1	% 2.4	% 3.0	% 2.5	%
ASSETS								
Cap agreements ⁽³⁾	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—

(1) The estimated fair values are based on level 2 inputs (quoted prices in markets that are not active).

Based upon contractual interest rates for current LIBOR, HIBOR and SOR for variable-rate indebtedness. Based (2) on variable rate debt levels as of September 30, 2015, an assumed 100 basis point change in LIBOR, HIBOR and SOR would cause our annual interest cost to change by approximately \$82.2 million.

(3) As of September 30, 2015, we had one interest rate cap agreement with a nominal aggregate fair value based on quoted market values from the institutions holding the agreement.

Borrowings under the 2013 U.S. Credit Facility bear interest, at our option, at either an adjusted Eurodollar rate or at an alternative base rate, plus a credit spread. For base rate borrowings, the initial credit spread is 0.5% per annum and 1.5% per annum for the 2013 U.S. Revolving Facility and the 2013 U.S. Term B Facility, respectively. For Eurodollar rate borrowings, the initial credit spread is 1.5% per annum and 2.5% per annum for the 2013 U.S. Revolving Facility and the 2013 U.S. Term B Facility (subject to a Eurodollar rate floor of 0.75%), respectively. Borrowings under the 2011 VML Credit Facility bear interest, at our option, at either an adjusted Eurodollar rate or HIBOR, plus a credit spread, or an alternative base rate, plus a credit spread, which credit spread in each case is determined based on the maximum leverage ratio set forth in the credit facility agreement, as amended. The credit spread for the 2011 VML Credit Facility ranges from 0.25% to 1.125% per annum for loans accruing interest at the base rate and ranges from 1.25% to 2.125% per annum for loans accruing interest at an adjusted Eurodollar or HIBOR rate. Borrowings under

the 2012 Singapore Credit Facility bear interest at SOR plus a spread of 1.85% per annum, which is subject to reduction based on a ratio of debt to Adjusted EBITDA. Borrowings under the airplane financings bear interest at LIBOR plus 1.25% or 1.5% per annum.

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Foreign currency transaction gains for the nine months ended September 30, 2015, were \$26.8 million primarily due to Singapore dollar denominated intercompany debt held in the U.S. and U.S. dollar denominated debt held in Macao. We may be vulnerable to changes in the U.S. dollar/SGD and U.S. dollar/pataca exchange rates. Based on balances as of September 30, 2015, an assumed 10% change in the U.S. dollar/SGD exchange rate would cause a foreign currency transaction gain/loss of approximately \$30.5 million and an assumed 1% change in the U.S. dollar/pataca exchange rate would cause a foreign currency transaction gain/loss of approximately \$12.6 million. We maintain a significant amount of our operating funds in the same currencies in which we have obligations thereby reducing our exposure to currency fluctuations. As of September 30, 2015, we did not hedge our exposure to foreign currencies. In October 2015, we entered into several forward foreign currency exchange contracts in an effort to manage our foreign currency exposure.

See also “Liquidity and Capital Resources.”

ITEM 4 — CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and that such information is accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. The Company’s Chief Executive Officer and its Chief Accounting Officer (Principal Financial Officer) have evaluated the disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) of the Company as of September 30, 2015, and have concluded that they are effective at the reasonable assurance level.

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

Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal control over financial reporting that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that had, or was reasonably likely to have, a material effect on the Company’s internal control over financial reporting.

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PART II OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

The Company is party to litigation matters and claims related to its operations. For more information, see the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and "Part I — Item 1 — Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 9 — Commitments and Contingencies" of this Quarterly Report on Form 10-Q.

ITEM 1A — RISK FACTORS

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about share repurchases made by the Company of its common stock during the quarter ended September 30, 2015:

Period	Total Number of Shares Purchased	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands) ⁽¹⁾
July 1, 2015 — July 31, 2015	—	\$—	—	\$1,700,026
August 1, 2015 — August 31, 2015	945,924	\$47.79	945,924	\$1,654,817
September 1, 2015 — September 30, 2015	802,660	\$43.34	802,660	\$1,620,027

In June 2013, the Company's Board of Directors approved a stock repurchase program, which expired on June 5, 2015, with an initial authorization of \$2.0 billion. In October 2014, the Company's Board of Directors authorized the repurchase of an additional \$2.0 billion of its outstanding common stock, which expires on October 9, 2016.

(1) All repurchases under the stock repurchase program are made from time to time at the Company's discretion in accordance with applicable federal securities laws. All share repurchases of the Company's common stock have been recorded as treasury stock.

ITEM 5 — OTHER INFORMATION

As previously disclosed, Michael Quartieri resigned from his positions as the Company's Senior Vice President and Chief Accounting Officer and as the Company's principal financial officer, effective November 10, 2015.

On November 4, 2015, the Company and Mr. Quartieri entered into a Separation Agreement and General Release (the "Separation Agreement"), pursuant to which Mr. Quartieri will receive a prorated bonus for 2015, when, if and to the extent such bonuses are paid to like-situated executives qualifying for such bonuses. Any unvested stock options and restricted stock units previously granted to Mr. Quartieri will be canceled, effective November 10, 2015.

The foregoing description of certain provisions of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Separation Agreement filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

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ITEM 6 — EXHIBITS

List of Exhibits

Exhibit No.	Description of Document
10.1	Separation Agreement and General Release, dated as of November 4, 2015, between Michael Quartieri and Las Vegas Sands Corp.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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LAS VEGAS SANDS CORP.

SIGNATURES

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

LAS VEGAS SANDS CORP.

November 5, 2015

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

November 5, 2015

By: /s/ Michael A. Quartieri
Michael A. Quartieri
Chief Accounting Officer
(Principal Financial Officer)