

LAS VEGAS

Wynn Resorts Ltd., the casino company run by billionaire Steve Wynn, plans to report its fourth-quarter results after the market closes on Thursday.

WHAT TO WATCH FOR: Investors have high expectations for Wynn given strong growth in gambling in Macau, the Chinese

enclave that was once a Portuguese colony. Analyst Carlos Santarelli of Wells Fargo Securities raised his estimates for Wynn on Tuesday, saying it's likely that Wynn will beat analyst expectations.

But investors have shown that that's what they now expect from gambling companies with casino in China. Last week, even though Las Vegas Sands Corp.'s after-hours earnings report beat expectations, its shares declined the following day, Santarelli noted.

"We believe the biggest headwind for Wynn at present is expectations," Santarelli told investors. "While our estimates are meaningfully above consensus at present, we tend to think investor expectations are as well."

Investors will also want an update on the company's plans to build a resort in Macau's growing Cotai area, which Steve Wynn said would begin construction during the fourth quarter.

Santarelli said he thinks the project is still on track, though it's unclear when an official land grant will come.

"Given the uncertainty surrounding development efforts and the fickle nature of such arrangements in Macau, we believe investors are giving little to no credit for Wynn Cotai at

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current levels," he said.

Strength in Asia has helped Las Vegas-based companies with casinos there, and Wynn and Las Vegas Sands are at the front of that pack. As the Chinese government works to control the pace of growth, investors look to Wynn for insights into what's next and how the company might be involved.

WHY IT MATTERS: Wynn is the world's fourth-largest casino company by revenue, and billionaire CEO Steve Wynn is one of the industry's top figures. Investors and analysts look to Wynn's outspoken opinions and his company's moves for insights about the industry as casinos cope with fluctuating gambling spending in Las Vegas and tighter growth controls in China.

WHAT'S EXPECTED: Analysts on average expect Wynn to earn 71 cents per share on revenue of \$1.13 billion, according to FactSet.

LAST YEAR'S QUARTER: Wynn had adjusted earnings of 8 cents per share on \$809 million in revenue during the fourth quarter of 2009.

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