Great Wolf Resorts, Inc.
Form 424B4
December 15, 2004

Table of Contents

**Filed Pursuant to Rule 424(b)(4)**
**Registration No. 333-118148**

**PROSPECTUS**

# 14,000,000 Shares

# Great Wolf Resorts, Inc.

## Common Stock

## $17.00 per share

We are selling shares of our common stock. We have granted the underwriters an option to purchase up to 2,100,000 additional shares of common stock to cover over-allotments.

This is the initial public offering of our common stock. Our common stock has been approved for quotation on the Nasdaq National Market under the symbol WOLF.

**Investing in our common stock involves risks. See Risk Factors beginning on page 16.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Per Share | Total |
|---|---|---|
| Public Offering Price | $17.00 | $238,000,000 |
| Underwriting Discount | $ 1.19 | $ 16,660,000 |
| Proceeds to Us (before expenses) | $15.81 | $221,340,000 |

The underwriters expect to deliver the shares to purchasers on or about December 20, 2004.

**Citigroup**

**A.G. Edwards**

**Raymond James**

**Calyon Securities (USA) Inc.**

**SG Corporate & Investment Banking**

**ThinkEquity Partners LLC**

December 14, 2004

**Table of Contents**

Table of Contents

Table of Contents

**You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.**

**TABLE OF CONTENTS**



Until January 8, 2005 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

We own, or claim ownership rights to, a variety of trade names, service marks and trademarks for use in our business, including Biko the Bear, Blue Harbor Resort, Boathouse Suite, Breaker Bay, Crew Club, Cub Club, Great Wolf Lodge, Great Wolf Resorts, KidAquarium Suite, KidCabin and Wiley the Wolf in the United States and, where appropriate, in foreign countries. This prospectus also includes product names and other tradenames and service marks owned by us and other companies. The tradenames and service marks of other companies are the property of such other companies.

**Table of Contents**

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Table of Contents

## SUMMARY

*This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus, including Risk Factors, the audited financial statements of our predecessor companies and our consolidated financial statements and related notes, carefully before making an investment decision. References in this prospectus to we, our, us and our company refer to Great Wolf Resorts, Inc., a Delaware corporation, together with our consolidated subsidiaries. Unless otherwise indicated, the information in this prospectus assumes that the transactions described under Structure and Formation of Our Company are consummated.*

### Our Business

We are a family entertainment resort company that provides our guests with a high-quality vacation at an affordable price. We are the largest owner, operator and developer in the United States of drive-to family resorts featuring indoor waterparks and other family-oriented entertainment activities, based on the number of resorts in operation. We provide a full-service entertainment resort experience to our target customer base: families with children ranging in ages from 2 to 14 years old that live within a convenient driving distance from our resorts. Our resorts provide a consistent and comfortable environment throughout the year where our guests can enjoy our various amenities and activities. We are a fully integrated resort company with in-house expertise and resources in resort and indoor waterpark development, management, marketing and financing.

Upon completion of this offering, we will own and operate four existing Great Wolf Lodge® resorts, our signature northwoods-themed resorts, and one Blue Harbor Resort, a nautical-themed property. In addition, we will own two Great Wolf Lodge resorts that are under construction and scheduled to open for business during 2005. We will also be the licensor and manager of an additional Great Wolf Lodge resort in Niagara Falls, Ontario that is owned and under development by an affiliate of Ripley Entertainment Inc., or Ripley s. We are currently evaluating 12 to 14 additional markets for potential future development of Great Wolf Lodge resorts, six of which are in active site negotiation. We anticipate that most of our future resorts will be developed under our Great Wolf Lodge brand, but we may develop additional nautical-themed resorts in other appropriate markets.

We deliver value to our guests by providing an affordable and fun family vacation experience. Our resorts are located within a convenient driving distance of our target customer base, providing our guests with a less expensive, more convenient alternative to air travel. In addition, our resorts generally include the following features:

*Suites:* approximately 270 to 400 family suites that sleep from six to ten people and each include a wet bar, microwave oven, refrigerator and dining and sitting area.

*Waterpark:* an approximately 34,000 to 82,000 square-foot indoor waterpark highlighted by our signature 12-level treehouse water fort. Our water fort is an interactive water experience for the entire family and features over 60 water effects, including spray guns, fountains, valves and hoses, has cargo netting and suspension bridges, and is capped by an oversized bucket that dumps between 700 and 1,000 gallons of water every five minutes. Our waterparks also feature high-speed body slides and inner tube waterslides that wind in and out of the building into a splash-down pool, a lazy river, activity pools and large free-form hot tubs. Our room rates include use of the waterpark by four to six guests, depending on the type of room.

*Food and Beverage:* themed restaurants, such as our: Camp Critter Bar & Grille, which features a two-story realistic tree with a canopy of leaves and canvas-topped booths with hanging lanterns, giving guests the impression that they are dining in a northwoods forest camp; Bear Claw Café ice cream shop and confectionery; and waterpark snack shop.

*Amenities and Activities:* our Youkon Jack s and Northern Lights game arcades, full-service Aveda® concept spa, Buckhorn Exchange gift shop, Iron Horse fitness center, two-story animated clocktower, Cub Club children s activity program, meeting rooms and seasonal, holiday and other special activities.

Our four resorts open during the entire twelve-month period ended September 30, 2004, had the following financial performance:

- $211.30 average daily room rate, or ADR;
- $90.45 average non-room revenue per occupied room, or RevPOR;
- $301.75 total revenue per occupied room, or Total RevPOR;
- 65.1% occupancy;
- $137.61 revenue per available room, or RevPAR; and
- $196.51 total revenue per available room, or Total RevPAR.

We expect recurring annual capital expenditures for each resort to be 3-4% of the resort s annual revenues, including the repair and maintenance of our waterpark equipment. Our waterpark equipment is designed for outdoor application and capable of withstanding intense physical use and the elements year-round. Therefore, wear and tear is minimal and we believe our waterpark equipment has a long useful life.

We were formed in May 2004 to succeed to the family entertainment resort business of our predecessor companies, The Great Lakes Companies, Inc. and a number of its related entities, which we refer to collectively as Great Lakes. Great Lakes has developed and operated hotels since 1995. In 1999, Great Lakes began its resort operations by purchasing the Great Wolf Lodge in Wisconsin Dells, Wisconsin and developing the Great Wolf Lodge in Sandusky, Ohio, which opened in 2001. In 2003, Great Lakes opened two additional Great Wolf Lodge resorts, one in Traverse City, Michigan and the other in Kansas City, Kansas. In June 2004, Great Lakes opened the Blue Harbor Resort in Sheboygan, Wisconsin. Great Lakes has two additional Great Wolf Lodge resorts under construction, one in Williamsburg, Virginia and the other in the Pocono Mountains region of Pennsylvania, that are scheduled to open in the Spring and Fall of 2005, respectively.

Upon the closing of this offering, we will acquire each of these resorts and the resorts currently under construction, as well as certain resort development and management operations, in exchange for an aggregate of 14,032,896 shares of our common stock and $98.1 million. As of September 30, 2004, we had pro forma total indebtedness of approximately $123.1 million. Prior to completion of this offering and the formation transactions, we expect to incur on a pro forma basis, an additional $18.0 million of indebtedness in connection with our Williamsburg and Pocono Mountains resort development.

Our management team possesses substantial expertise in all aspects of family entertainment resort and indoor waterpark development, management, marketing and financing. We have safely and successfully managed the operational complexity of our current resorts and intend to operate our future resorts similarly. We operate our business from our headquarters in Madison, Wisconsin. We believe that the experience of our senior management team, particularly their development and operational experience, as well as our centralized reservations center, provide an infrastructure that will allow us to continue to increase the number of resorts that we develop and operate without proportionately higher overhead costs. As of September 30, 2004, we had approximately 120 corporate employees, including our central reservations center employees, and approximately 1,600 full and part-time resort-level employees.

Our principal executive offices are located at 122 West Washington Avenue, Madison, Wisconsin 53703, and our telephone number is (608) 251-6400. Our website can be found on the internet at www.greatwolfresorts.com. Information contained on our website is not part of this prospectus.

Table of Contents

### Our Competitive Strengths

Our competitive strengths include:

**Unforgettable Family Resort Experience.** Our indoor waterpark resorts provide activities that the entire family can enjoy, including themed restaurants, an Aveda concept spa, a game arcade, ice cream shop and confectionery, gift shop, animated clocktower and fireside bedtime stories.

**Value, Comfort and Convenience.** On average, a two-night stay in one of our conveniently located resorts, that include spacious and comfortable family suites, costs approximately $600.

**Favorable Market Trends.** We believe recent vacation trends favor our Great Wolf Lodge concept as the number of families choosing to take shorter, more frequent vacations that they can drive to has increased over the past several years.

**Market Presence and Barriers to Entry.** We believe that we benefit from the significant barriers to entry, including operational complexity, substantial capital requirements, availability of suitable sites in desirable markets and a difficult, multi-year permitting process.

**Focus on Safety.** We invest heavily in safety measures in the design and operation of our resorts, including our state-of-the-art air quality and water treatment systems.

**Experienced Management Team.** Our senior management team has an average of approximately 16 years of experience in the hospitality, family resort and real estate development industries and has significant expertise in operating complex, themed resorts featuring indoor waterparks.

### Business and Growth Strategies

Our primary internal growth strategies are to:

**Increase Total Resort Revenue.** We intend to increase total resort revenue by increasing our average room rate, average occupancy and other revenue.

**Leverage Our Economies of Scale.** We intend to take advantage of our economies of scale by capitalizing on our increased purchasing power and centralizing certain of our services.

**Build Upon Brand Awareness and Loyalty.** Our Great Wolf Lodge brand is symbolized by our distinctive and easily identifiable theming and recognizable logos and merchandise, which have fostered strong customer and brand loyalty, as evidenced by our high levels of repeat and referral guests.

Our primary external growth strategies are to:

**Capitalize on First-Mover Advantage.** We intend to be the first to develop and operate family entertainment resorts featuring indoor waterparks in our selected target markets.

**Focus on Development and Strategic Growth Opportunities.** Family entertainment resorts featuring indoor waterparks are a relatively new concept and a growing segment of the resort and entertainment industries. We intend to focus on this growth opportunity by building in target markets, licensing our resort concept internationally, forming strategic partnerships and expanding and enhancing existing resorts.

**Continue to Innovate.** We intend to leverage our in-house expertise, in conjunction with the knowledge and experience of our third-party suppliers and designers, to develop and implement the latest innovations in family entertainment activities and amenities, including waterpark attractions.

Table of Contents

### Summary Risk Factors

Our ability to capitalize on our competitive strengths and implement the business and growth strategies described above may be affected by matters discussed under Risk Factors beginning on page 16, which you should carefully consider prior to deciding whether to invest in our common stock, including:

our ability to develop new resorts or further develop existing resorts on a timely or cost efficient basis;

our ability to compete with other family vacation travel destinations and resorts;

our ability to manage our expected growth;

potential accidents or injuries in our resorts and competing resorts;

our ability to achieve or sustain profitability;

changes in family vacation patterns and consumer spending habits, downturns in our industry segment and extreme weather conditions;

our ability to attract a significant number of guests from our target markets;

increases in operating costs and other expense items and costs;

uninsured losses or losses in excess of our insurance coverage; and

our ability to protect our intellectual property and the value of our brands.

### Properties

We have five family entertainment resorts that are currently operating and two additional resorts that are under construction, and we will manage one resort under construction that is owned by a third-party licensee. We also have identified additional target markets for future resort development and are in negotiations with respect to sites in six of these markets. The following table presents an overview of our portfolio of resorts:

| | | | | Twelve Months Ended September 30, 2004 | | | | |
|---|---|---|---|---|---|---|---|---|
| Location | Opened/ Target Opening | Rooms | Indoor Entertainment Area(1) | Occupancy | Average Daily Rate | Revenue per Available Room(2) | Other Revenue per Occupied Room | Total Revenue per Occupied Room(3) |
| | | | (approx. $ft^2$) | (%) | ($) | ($) | ($) | ($) |
| **Existing Resorts:** | | | | | | | | |
| Wisconsin Dells, WI | May 1997(4) | 309 | 64,000 | 61.7 | 194.58 | 120.14 | 76.76 | 271.34 |
| Sandusky, OH(5) | March 2001 | 271 | 41,000 | 68.4 | 231.38 | 158.34 | 92.78 | 324.16 |
| Traverse City, MI | March 2003 | 281 | 51,000 | 68.9 | 222.71 | 153.47 | 98.29 | 321.00 |
| Kansas City, KS(6) | May 2003 | 281 | 49,000 | 61.8 | 195.06 | 120.50 | 94.21 | 289.27 |
| Sheboygan, WI(7) | June 2004 | 183(8) | 54,000 | | | | | |
| **Resorts Under Construction:** | | | | | | | | |
| Williamsburg, VA | Spring 2005 | 301 | 66,000 | | | | | |
| Pocono Mountains, PA | Fall 2005 | 400 | 91,000 | | | | | |
| Niagara Falls, ONT(9) | Spring 2006 | 404 | 94,000 | | | | | |

(1)

Our indoor entertainment areas generally include our indoor waterpark, game arcade, children s activity room and fitness room, as well as our Aveda concept spa, 3D virtual reality theater, Wiley s Woods and party room in the resorts that have such amenities.

(2) Revenue per available room represents the total room revenue per total available rooms for the twelve months ended September 30, 2004, calculated by multiplying the occupancy by the average daily rate.

(3) Total revenue per occupied room is calculated by adding the average daily rate and other revenue per occupied room.

(4) Great Lakes purchased this property in November 1999.

(5) Prior to May 2004, we operated this resort as a Great Bear Lodge.

(6) We currently lease the property on which our Kansas City resort is located pursuant to a 10-year ground lease with a local governmental authority. We are in the process of converting this leasehold interest into a fee simple interest at no cost to us pursuant to the exercise of a conversion right contained in the ground lease.

(7) Our Sheboygan property is branded as a Blue Harbor Resort. This resort is subject to a 98-year and 11-month ground lease with the Redevelopment Authority of the City of Sheboygan.

(8) Our Blue Harbor Resort also features 64 individually owned two and four bedroom condominium units.
(9) Ripley s, our licensee, owns this resort. We are assisting Ripley s with construction management and other pre-opening matters related to the Great Wolf Lodge in Niagara Falls. We have granted Ripley s a license to use the Great Wolf Lodge name for this resort for ten years after opening. We have agreed to enter into a management agreement, pursuant to which we expect to operate the resort on behalf of Ripley s for five years, and also a central reservations agreement. In conjunction with this project, we expect to receive a one-time construction management fee and ongoing license, central reservations and management fees.

## Structure and Formation of Our Company

### Formation Transactions

Each of the five existing resorts and the two resorts under construction that will be owned and operated by us following the formation transactions is currently owned by a separate limited liability company. We refer to these limited liability companies as resort-owning entities and to The Great Lakes Companies, Inc. as the management company. One member in each of these resort-owning entities is a separate limited liability company of which the management company is the managing member or manager. We refer to these entities as sponsor entities. The other direct or indirect investors, or members, of the resort-owning entities and the sponsor entities include the founding shareholders of the management company, present and former members of management of the management company and its subsidiaries and other private investors not otherwise affiliated with the management company. In addition, investors have an ownership interest in the resort-owning entity of our Sandusky resort through a limited liability company that we refer to as Sandusky Investor LLC.

Simultaneously with the completion of this offering, we will engage in formation transactions that are designed to:

- acquire the resorts and related management business of the management company and its subsidiaries as described in more detail below;
- facilitate this offering; and
- enable us to raise the necessary capital to repay certain existing bank indebtedness, purchase certain interests in the resort-owning entities held by third parties and fund our growth.

Pursuant to the formation transactions:

- The management company will contribute its hotel management and multifamily housing management and development assets, which are unrelated to the resort business, to two subsidiaries of the management company and will then distribute, or spin-off, the interests in such subsidiaries to the shareholders of the management company. Therefore, we will not acquire these non-resort assets at closing.
- We will sell 14,000,000 shares of our common stock in this offering and an additional 2,100,000 shares if the underwriters exercise their over-allotment option in full, and we will use the net proceeds from this offering to accomplish the steps listed below and as otherwise described under Use of Proceeds.
- We intend to purchase the interests held by affiliates of AIG SunAmerica in the entities owning our Wisconsin Dells and Sandusky resorts for an aggregate purchase price of approximately $31.0 million.
- GWR Operating Partnership, L.L.L.P., our wholly owned operating partnership, will form thirteen new wholly owned limited liability company subsidiaries, corresponding to each resort-owning entity (other than the entities that own our Wisconsin Dells and Sandusky resorts), sponsor entity and Sandusky Investor LLC. These newly formed subsidiaries, which we refer to as the merger entities, will be merged into their corresponding resort-owning entity, sponsor entity or Sandusky Investor LLC, with each resort-owning entity, sponsor entity and Sandusky Investor LLC being the surviving entity and becoming our indirect wholly owned subsidiary. GWR Operating Partnership, L.L.L.P. s interest in each

merger entity will be converted into the sole interest in the corresponding surviving entity. In the case of our Wisconsin Dells and Sandusky resorts, after our intended acquisition of the interests held by AIG SunAmerica, as described above, and the mergers of the related sponsor entities and Sandusky Investor LLC, the resort-owning entities will be our indirect wholly owned subsidiaries. In addition, the management company will be merged into our newly formed Great Lakes Services subsidiary. The shareholders of the management company will receive unregistered shares of our common stock in exchange for their interests in the management company in the merger.

In the mergers, members of the resort-owning entities, sponsor entities and Sandusky Investor LLC will receive cash, unregistered shares of our common stock or a combination of cash and unregistered shares of our common stock.

After the expiration of a 180-day period following consummation of this offering, recipients of shares in the formation transactions will generally be able to sell their unregistered shares, subject to certain restrictions described in Shares Eligible for Future Sale, pursuant to a registration statement that we are obligated to use our commercially reasonable efforts to have declared effective as soon as possible. In the aggregate, we expect to pay $98.1 million in cash and issue 13,901,947 shares of unregistered common stock in these acquisitions.

We will issue an aggregate of 130,949 shares of unregistered common stock to holders of tenant in common interests in our Poconos and Williamsburg resorts that are convertible into our common stock.

Concurrently with the consummation of this offering and the formation transactions, we expect to:

- repay an aggregate of approximately $76.0 million of Great Lakes mortgage indebtedness on two of our resorts from the net proceeds of this offering;

- refinance existing mortgage indebtedness on two of our resorts with a total outstanding debt balance at September 30, 2004 of approximately $72.4 million; and

- enter into a $75.0 million revolving credit facility that will be secured by two of our resorts. Based upon the financial and debt service ratios that we anticipate will be contained in the revolving credit facility, we expect that approximately $55.0 million of the revolving credit facility will be immediately available upon consummation of this offering. We do not currently anticipate drawing any amounts under this facility immediately after the consummation of this offering. We expect to use the revolving credit facility to fund our future growth and resort development, to provide for working capital and for other corporate purposes.

The current employees of the management company, other than those associated solely with its non-resort businesses, will become employees of our Great Lakes Services subsidiary.

Eric S. Lund, Bruce D. Neviaser, Thomas A. Sather, Craig A. Stark, Marc B. Vaccaro and Kimberly K. Schaefer, each of whom is a current shareholder of Great Lakes, will enter into indemnity agreements with us pursuant to which they will make certain representations and warranties to us relating to the formation transactions and the status of the properties operated by the resort-owning entities. Pursuant to these indemnity agreements, these shareholders will agree to indemnify us for a period of one year if those representations and warranties are not accurate. With respect to each shareholder, the maximum indemnification obligation under these agreements will not exceed 35% of the value of the number of shares of our common stock received by that shareholder in the formation transactions based on the public offering price. The maximum amount of the indemnification obligations under these agreements will equal approximately $45.2 million in the aggregate. These shareholders may fulfill the indemnity obligations under the agreements solely through delivery of shares of our common stock that they own, valued at the time of delivery, or with an equivalent amount of cash. However, if any of these shareholders chooses to fulfill the indemnity obligation under the agreement through the delivery of shares, the maximum number of shares such shareholder will be obligated to deliver is 35% of the number of shares such shareholder receives in the formation transactions. On or about the closing date of

**Table of Contents**

this offering, Messrs. Lund, Neviaser and Sather are expected to receive personal loans from an affiliate of Citigroup Global Markets Inc. These loans will be full-recourse and will be secured by a pledge of all the shares of our common stock received by each in the formation transactions. While some of these shares may be released from the pledge over time, they may not be available as an alternative means to satisfy an indemnification obligation under the agreements.

***Consequences of this Offering and the Formation Transactions***

Upon completion of this offering and the formation transactions:

- We will directly or indirectly own a fee simple interest in all of our resorts, except for a leasehold interest in our Sheboygan resort. We also will be the licensor and manager of a Great Wolf Lodge resort in Niagara Falls, Ontario owned by Ripley s that is currently under construction.
- Purchasers of our common stock in this offering will own approximately 49.7% of our outstanding common stock.
- We expect to have incurred, on a pro forma basis, approximately $18.0 million of indebtedness in connection with our Williamsburg and Pocono Mountains resort developments, in addition to approximately $123.1 million of total pro forma indebtedness we had outstanding at September 30, 2004.

***Benefits to Related Parties***

In connection with the formation transactions, the shareholders of the management company will receive material benefits, including:

- an aggregate of 8,087,151 unregistered shares of our common stock as consideration in the formation mergers; and
- the release of personal guarantees to repay approximately $167.1 million of indebtedness relating to the resort- owning entities. Approximately $76.0 million of this indebtedness will be repaid with the proceeds of this offering, approximately $72.4 million will be refinanced and the remaining portion will be assumed by us in connection with the formation transactions.

It is expected that after consummation of the formation transactions and this offering, the founding shareholders of Great Lakes will beneficially own approximately 29% of the outstanding shares of our common stock.

Upon completion of this offering, the current shareholders of Great Lakes will hold the following positions with us:

| | | |
|---|---|---|
| John Emery | - | Chief Executive Officer and Director |
| Eric S. Lund | - | Executive Vice President of Sales and Marketing |
| Bruce D. Neviaser | - | Chairman of the Board |
| Kimberly K. Schaefer | - | Chief Brand Officer |
| Craig A. Stark | - | President and Director |
| Marc B. Vaccaro | - | Director |
| Thomas W. Sather | - | Mr. Sather will not hold a position with us, but will hold approximately 3% of our shares immediately following this offering. |

Prior to the formation transactions, these shareholders exercised managerial control over most of the resort-owning entities and the sponsor entities and had significant voting control over such entities.

In addition, pursuant to their current employment arrangements, three members of our management will receive an aggregate of approximately $2.3 million of bonus payments in the form of lump sum cash payments. Approximately $2.2 million of these bonus payments will be made to members of management who have joined the company in the last year. These bonuses were offered to enable us to attract these executives and to incentivize them to successfully complete this offering. Approximately $2.2 million of these bonus payments will be deferred pursuant to our deferred compensation plan. Pursuant to elections by these members of management to have these bonus payments track the performance of our common stock, we intend to contribute 129,412 shares of common stock (based upon the public offering price) to a trust that will hold assets to pay obligations under our deferred compensation plan. These deferred bonuses will be deemed to be investments in shares of our common stock. As a result, the amount of cash ultimately paid from the deferred bonuses will increase and decrease as the price of our common stock increases and decreases.

On or about the closing of this offering, an affiliate of Citigroup Global Markets Inc. expects to provide loans in an aggregate amount not to exceed $11.5 million to certain founders of Great Lakes, including a loan of up to $6.5 million to Mr. Neviaser, a loan of up to $3.5 million to Mr. Lund, and a loan of up to $1.5 million to Mr. Sather. These loans will be full-recourse to each borrower and will be directly secured by a pledge of all of the shares of our common stock received by each borrower in the formation transactions.

***Allocation of Consideration in the Formation Transactions***

In connection with the formation transactions, Great Lakes retained an independent financial advisory firm to render an opinion as to the fairness of the method used in allocating value among the resort-owning entities and the management company. These advisors were not asked to, and did not, provide a valuation opinion for the resorts or the interests in the property-owning entities, the sponsor entities, Sandusky Investor LLC or the management company, and we did not obtain third-party appraisals with respect to the market value of any of the resort assets. As a result, the consideration paid in the formation transactions may exceed the fair market value of the resort assets. The method of allocation for the resort-owning entities was based primarily upon, among other things, Great Lakes historical resort operations, the net income and EBITDA we estimate for each of the resort-owning entities and for Great Lakes and our growth prospects, rather than a property-by-property valuation based on historical cost or current market value. We used this methodology because we believe it is appropriate to value the company as an ongoing business, rather than with a view to values that could be obtained from a liquidation of the company or of individual resorts we will own.

**Table of Contents**

***Our Structure***

The following diagram depicts our ownership structure upon completion of this offering and the formation transactions.

The current shareholders of Great Lakes other than Mr. Emery, who are Messrs. Lund, Neviaser, Sather, Stark and Vaccaro and Ms. Schaefer, individually and through Great Lakes own interests both directly and indirectly in each of Great Lakes subsidiaries or affiliates involved in the formation transactions. Mr. Emery owns interests in two of Great Lakes subsidiaries. As part of the formation transactions, these interests will be converted into shares of our common stock.

Additional information regarding the formation transactions is set forth under Structure and Formation of Our Company.

**Table of Contents**

**This Offering**

| | |
|---|---|
| Common stock offered by us | 14,000,000 shares |
| Common stock to be outstanding after this offering | 28,162,308 shares |
| Use of proceeds | We intend to use the net proceeds from this offering as follows: |
| | $67.1 million to pay a portion of the cash consideration in connection with our formation transactions; |
| | $31.0 million to purchase the interests in our Wisconsin Dells and Sandusky resorts held by affiliates of AIG SunAmerica; |
| | $76.0 million to repay existing mortgage indebtedness on our Wisconsin Dells and Sandusky resorts; and |
| | the remaining $42.2 million to fund a portion of our development of future resorts. |
| Nasdaq National Market symbol | WOLF |

The number of shares of our common stock to be outstanding after this offering: (1) includes 14,032,896 shares of common stock to be issued by us in our formation transactions concurrently with the closing of this offering; (2) includes 129,412 shares (based on the public offering price) to be contributed by us to a trust that will hold assets to pay obligations under our deferred compensation plan for the account of two members of our management in order to satisfy our bonus payment obligations; (3) excludes 1,657,600 shares of common stock reserved for issuance upon exercise of options to be granted under our 2004 Incentive Stock Plan upon consummation of this offering to management and certain other employees; and (4) excludes 1,722,920 shares reserved for future issuance under our 2004 Incentive Stock Plan.

Except as otherwise indicated, all information in this prospectus assumes no exercise of the underwriters over-allotment option.

**Table of Contents**

**Summary Financial and Other Data**

The following table sets forth summary financial and operating data on a historical basis for Great Lakes and on an unaudited pro forma basis for Great Wolf Resorts, Inc. Historical financial and other data related to Great Lakes consists of the following:

- combined historical financial information for (1) Great Lakes management business, including development of, ownership interests in, and management contracts with respect to, certain non-resort hotels and multifamily housing assets, (2) the entities that own our Traverse City, Kansas City and Sheboygan operating resorts and (3) the entities that own our Williamsburg and Pocono Mountains resorts that are under construction (the Predecessor Historical Information ); and

- combined historical financial information for the entities that own our Wisconsin Dells and Sandusky resorts (the Dells/Sandusky Historical Information ).

Although we were the managing member with responsibility for day-to-day operations with respect to the entities that own our Wisconsin Dells and Sandusky resorts, another party controls those entities. Therefore, we do not combine the Dells/Sandusky Historical Information with the Predecessor Historical Information.

We have not presented historical information for Great Wolf Resorts, Inc. in this summary because we have not had any operations since our formation and because we believe that a discussion of the results of Great Wolf Resorts, Inc. would not be meaningful. We have included audited consolidated historical financial statements for Great Wolf Resorts, Inc. elsewhere in this prospectus.

The summary Predecessor Historical Information as of September 30, 2004 and December 31, 2003 and 2002 and for the nine months ended September 30, 2004 and for each of the three years in the period ended December 31, 2003 are derived from, and are qualified in their entirety by, the Great Lakes Predecessor financial statements audited by Deloitte & Touche LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The summary Dells/Sandusky Historical Information as of December 31, 2003 and 2002 and for each of the three years in the period ended December 31, 2003 are derived from, and are qualified in their entirety by, the Dells/Sandusky financial statements audited by Rubin, Brown, Gornstein & Co. LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The summary Predecessor Historical financial and operating data for the nine months ended September 30, 2003 and Dells/Sandusky Historical financial and operating data as of September 30, 2004 and for the nine months ended September 30, 2004 and 2003, are derived from, and are qualified in their entirety by, the unaudited Great Lakes Predecessor and Dells/Sandusky financial statements. In the opinion of management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. Historical results are not necessarily indicative of the results to be expected in the future. You should read the following summary financial and other data together with Business, Selected Financial and Other Data, Unaudited Pro Forma Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the Great Lakes Predecessor and Dells/Sandusky financial statements and related notes appearing elsewhere in this prospectus.

The unaudited summary pro forma financial and operating data for the year ended December 31, 2003 and the nine months ended September 30, 2004 have been prepared to give pro forma effect to this offering and the formation transactions as if they had occurred on January 1, 2003. The unaudited pro forma balance sheet data as of September 30, 2004 has been prepared to give effect to this offering and the formation transactions as if they had occurred on September 30, 2004. The unaudited summary combined pro forma financial data are for informational purposes only and should not be considered indicative of actual results that would have been achieved had this offering and the formation transactions actually been consummated on January 1, 2003 and do not purport to indicate results of operations as of any future date or for any future period. You should read the summary combined pro forma data in conjunction with Unaudited Pro Forma Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the Great Lakes Predecessor and Dells/Sandusky financial statements and related notes appearing elsewhere in this prospectus.

Table of Contents

| | Year Ended December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2003 | | | 2002 | | 2001 | |
| | Consolidated Pro Forma | Predecessor(1)(6) | Dells/ Sandusky | Predecessor | Dells/ Sandusky | Predecessor | Dells/ Sandusky |
| | (dollars in thousands, except per share amounts and operating data) | | | | | | |
| **Statement of Operations Data:** | | | | | | | |
| Revenues: | | | | | | | |
| Rooms | $47,973 | $20,231 | $29,172 | $1,454 | $28,995 | $1,619 | $25,650 |
| Food, beverage and other | 20,947 | 9,580 | 11,546 | 234 | 11,432 | 482 | 8,988 |
| Management and other fees | | 3,109 | | 3,329 | | 3,022 | |
| Other revenue from managed properties(2) | | 14,904 | | 14,808 | | 13,286 | |
| Total revenues | 68,920 | 47,824 | 40,718 | 19,825 | 40,427 | 18,409 | 34,638 |
| Operating expenses: | | | | | | | |
| Departmental expenses | | | | | | | |