

MGM Resorts International
Form 10-Q
August 08, 2013
Table of Contents

UNITED STATES
SECURITIES & EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2013

OR

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

For the transition period from ____ to ____

Commission File No. 001-10362

MGM Resorts International

(Exact name of registrant as specified in its charter)

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Delaware **88-0215232**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109

(Address of principal executive offices)

(702) 693-7120

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (§232.405 of this chapter) 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:

Large accelerated filer Accelerated filer

Non-accelerated filer 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 issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at August 1, 2013
Common Stock, \$.01 par value	489,599,080 shares

Table of Contents

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES

FORM 10-Q

I N D E X

	Page
PART I. <u>FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Consolidated Balance Sheets at June 30, 2013 and December 31, 2012</u>	1
<u>Consolidated Statements of Operations for the Three Months and Six Months Ended June 30, 2013 and June 30, 2012</u>	2
<u>Consolidated Statements of Comprehensive Income (Loss) for the Three Months and Six Months Ended June 30, 2013 and June 30, 2012</u>	3
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2013 and June 30, 2012</u>	4
<u>Condensed Notes to Consolidated Financial Statements</u>	5-22
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23-35
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
Item 4. <u>Controls and Procedures</u>	36
PART II. <u>OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	36
Item 1A. <u>Risk Factors</u>	36
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
Item 6. <u>Exhibits</u>	36
<u>SIGNATURES</u>	37

Table of Contents**Part I. FINANCIAL INFORMATION****Item 1. Financial Statements****MGM RESORTS INTERNATIONAL AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS***(In thousands, except share data)**(Unaudited)*

	June 30, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,278,673	\$ 1,543,509
Accounts receivable, net	440,326	443,677
Inventories	101,110	107,577
Deferred income taxes, net	141,516	179,431
Prepaid expenses and other	248,615	232,898
Total current assets	2,210,240	2,507,092
Property and equipment, net	14,042,309	14,194,652
Other assets		
Investments in and advances to unconsolidated affiliates	1,408,139	1,444,547
Goodwill	2,900,543	2,902,847
Other intangible assets, net	4,609,088	4,737,833
Other long-term assets, net	551,818	497,767
Total other assets	9,469,588	9,582,994
	\$ 25,722,137	\$ 26,284,738
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	\$ 229,599	\$ 199,620
Income taxes payable	7,682	1,350
Accrued interest on long-term debt	193,660	206,736
Other accrued liabilities	1,667,205	1,517,965
Total current liabilities	2,098,146	1,925,671
Deferred income taxes	2,505,000	2,473,889
Long-term debt	13,111,961	13,589,283
Other long-term obligations	149,864	179,879
Commitments and contingencies (Note 5)		
Stockholders equity	4,896	4,892

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Common stock, \$.01 par value: authorized 1,000,000,000 shares; issued and outstanding 489,596,581 and 489,234,401 shares		
Capital in excess of par value	4,145,571	4,132,655
Retained earnings	127,286	213,698
Accumulated other comprehensive income	11,308	14,303
Total MGM Resorts International stockholders' equity	4,289,061	4,365,548
Noncontrolling interests	3,568,105	3,750,468
Total stockholders' equity	7,857,166	8,116,016
	\$ 25,722,137	\$ 26,284,738

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

Table of Contents**MGM RESORTS INTERNATIONAL AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS***(In thousands, except per share data)**(Unaudited)*

	Three Months Ended		Six Months Ended	
	2013	2012	2013	2012
Revenues				
Casino	\$ 1,443,157	\$ 1,299,196	\$ 2,844,577	\$ 2,634,230
Rooms	437,710	418,766	838,960	812,386
Food and beverage	394,247	391,891	754,129	764,844
Entertainment	121,001	120,909	234,855	241,309
Retail	52,748	52,086	97,455	98,710
Other	127,914	132,900	251,740	246,023
Reimbursed costs	92,741	90,938	182,977	181,477
	2,669,518	2,506,686	5,204,693	4,978,979
Less: Promotional allowances	(188,253)	(182,921)	(371,280)	(367,624)
	2,481,265	2,323,765	4,833,413	4,611,355
Expenses				
Casino	916,807	826,211	1,792,053	1,693,685
Rooms	134,001	129,897	261,710	256,052
Food and beverage	225,696	222,567	430,436	434,206
Entertainment	89,940	88,559	173,665	177,347
Retail	27,865	29,241	53,831	56,824
Other	92,819	88,835	178,792	175,057
Reimbursed costs	92,741	90,938	182,977	181,477
General and administrative	314,324	309,478	618,225	612,767
Corporate expense	52,364	42,540	98,988	84,800
Preopening and start-up expenses	3,506		5,652	
Property transactions, net	88,131	90,467	96,622	91,384
Depreciation and amortization	218,151	235,643	430,069	472,452
	2,256,345	2,154,376	4,323,020	4,236,051
Income (loss) from unconsolidated affiliates	6,682	5,986	23,026	(7,323)
Operating income	231,602	175,375	533,419	367,981
Non-operating income (expense):				
Interest expense, net of amounts capitalized	(214,500)	(276,323)	(439,947)	(560,665)
Non-operating items from unconsolidated affiliates	(38,864)	(20,836)	(60,943)	(47,702)
Other, net	(4,951)	46	(6,233)	(57,530)
	(258,315)	(297,113)	(507,123)	(665,897)
Income (loss) before income taxes	(26,713)	(121,738)	26,296	(297,916)

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Benefit (provision) for income taxes	(3,865)	51,304	(34,296)	24,175
Net loss	(30,578)	(70,434)	(8,000)	(273,741)
Less: Net income attributable to noncontrolling interests	(62,380)	(75,018)	(78,412)	(88,964)
Net loss attributable to MGM Resorts International	\$ (92,958)	\$ (145,452)	\$ (86,412)	\$ (362,705)
Net loss per share of common stock attributable to MGM Resorts International				
Basic	\$ (0.19)	\$ (0.30)	\$ (0.18)	\$ (0.74)
Diluted	\$ (0.19)	\$ (0.30)	\$ (0.18)	\$ (0.74)

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

Table of Contents

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net loss	\$ (30,578)	\$ (70,434)	\$ (8,000)	\$ (273,741)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	6,416	8,313	(6,225)	10,001
Other			115	
Other comprehensive income (loss)	6,416	8,313	(6,110)	10,001
Comprehensive loss	(24,162)	(62,121)	(14,110)	(263,740)
Less: Comprehensive income attributable to noncontrolling interests	(65,470)	(79,122)	(75,297)	(93,897)
Comprehensive loss attributable to MGM Resorts International	\$ (89,632)	\$ (141,243)	\$ (89,407)	\$ (357,637)

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

Table of Contents**MGM RESORTS INTERNATIONAL AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS***(In thousands)**(Unaudited)*

	Six Months Ended June 30,	
	2013	2012
Cash flows from operating activities		
Net loss	\$ (8,000)	\$ (273,741)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	430,069	472,452
Amortization of debt discounts, premiums and issuance costs	16,876	39,388
Loss on retirement of long-term debt	3,791	58,740
Provision for doubtful accounts	16,696	31,675
Stock-based compensation	16,555	20,796
Property transactions, net	96,622	91,384
Loss from unconsolidated affiliates	38,293	55,025
Distributions from unconsolidated affiliates	8,075	10,415
Deferred income taxes	69,143	(43,683)
Change in operating assets and liabilities:		
Accounts receivable	(13,703)	(18,395)
Inventories	6,456	(568)
Income taxes receivable and payable, net	5,420	(7,234)
Prepaid expenses and other	(30,646)	4,833
Prepaid Cotai land concession premium	3,289	
Accounts payable and accrued liabilities	98,230	85,904
Other	(27,104)	(14,735)
Net cash provided by operating activities	730,062	512,256
Cash flows from investing activities		
Capital expenditures, net of construction payable	(242,878)	(216,230)
Dispositions of property and equipment	323	96
Investments in and advances to unconsolidated affiliates	(14,400)	(25,000)
Distributions from unconsolidated affiliates in excess of earnings		2,085
Investments in treasury securities - maturities longer than 90 days	(120,332)	(135,179)
Proceeds from treasury securities - maturities longer than 90 days	135,268	150,182
Other	1,806	(907)
Net cash used in investing activities	(240,213)	(224,953)
Cash flows from financing activities		
Net borrowings (repayments) under bank credit facilities maturities of 90 days or less	(14,000)	257,900
Borrowings under bank credit facilities maturities longer than 90 days	2,793,000	450,000
Repayments under bank credit facilities maturities longer than 90 days	(2,793,000)	(2,734,128)
Issuance of senior notes		1,850,000
Retirement of senior notes	(462,234)	
Debt issuance costs	(17,061)	(40,447)
Distributions to noncontrolling interest owners	(259,016)	(204,074)
Other	(1,687)	(1,365)

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Net cash used in financing activities	(753,998)	(422,114)
Effect of exchange rate on cash	(687)	819
Cash and cash equivalents		
Net decrease for the period	(264,836)	(133,992)
Balance, beginning of period	1,543,509	1,865,913
Balance, end of period	\$ 1,278,673	\$ 1,731,921
Supplemental cash flow disclosures		
Interest paid, net of amounts capitalized	\$ 436,147	\$ 473,326
Federal, state and foreign income taxes paid, net of refunds	1,382	6,246
Non-cash investing and financing activities		
Increase in investment in and advances to CityCenter related to change in completion guarantee liability	\$ 43,271	\$ 24,794

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

Table of Contents**MGM RESORTS INTERNATIONAL AND SUBSIDIARIES****CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****NOTE 1 ORGANIZATION**

Organization. MGM Resorts International (the Company) is a Delaware corporation that acts largely as a holding company and, through wholly owned subsidiaries, primarily owns and/or operates casino resorts. The Company owns and operates the following casino resorts in Las Vegas, Nevada: Bellagio, MGM Grand Las Vegas (including The Signature), The Mirage, Mandalay Bay, Luxor, New York-New York, Monte Carlo, Excalibur and Circus Circus Las Vegas. Other Nevada operations include Circus Circus Reno, Gold Strike in Jean and Railroad Pass in Henderson. The Company and its local partners own and operate MGM Grand Detroit in Detroit, Michigan. The Company owns and operates two resorts in Mississippi: Beau Rivage in Biloxi and Gold Strike Tunica. The Company also owns Shadow Creek, an exclusive world-class golf course located approximately ten miles north of its Las Vegas Strip resorts, Primm Valley Golf Club at the California/Nevada state line and Fallen Oak golf course in Saucier, Mississippi. The Company has two reportable segments: wholly owned domestic resorts and MGM China.

The Company owns 51% and has a controlling interest in MGM China Holdings Limited (MGM China), which owns MGM Grand Paradise, S.A. (MGM Grand Paradise), the Macau company that owns and operates the MGM Macau resort and casino and the related gaming subconcession and land concession. On October 18, 2012, MGM Grand Paradise formally accepted a land concession contract with the government of Macau to develop a second resort and casino on an approximately 17.8 acre site in Cotai, Macau. The land concession contract became effective on January 9, 2013 when the Macau government published the agreement in the Official Gazette of Macau.

The Company owns 50% of CityCenter, located between Bellagio and Monte Carlo. The other 50% of CityCenter is owned by Infinity World Development Corp (Infinity World), a wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity. CityCenter consists of Aria, a casino resort; Mandarin Oriental Las Vegas, a non-gaming boutique hotel; Crystals, a retail, dining and entertainment district; and Vdara, a luxury condominium-hotel. In addition, CityCenter features residential units in the Residences at Mandarin Oriental and Veer. The Company receives a management fee of 2% of revenues for the management of Aria and Vdara, and 5% of EBITDA (as defined in the agreements governing the Company's management of Aria and Vdara). In addition, the Company receives an annual fee of \$3 million for the management of Crystals.

The Company has 50% interests in Grand Victoria and Silver Legacy. Grand Victoria is a riverboat casino in Elgin, Illinois; an affiliate of Hyatt Gaming owns the other 50% of Grand Victoria and also operates the resort. Silver Legacy is located in Reno, adjacent to Circus Circus Reno, and the other 50% is owned by Eldorado LLC.

MGM Hospitality. MGM Hospitality seeks to leverage the Company's management expertise and well-recognized brands through strategic partnerships and international expansion opportunities. MGM Hospitality has entered into management agreements for hotels in the Middle East, North Africa, India and, through its joint venture with Diaoyutai State Guesthouse, the People's Republic of China. MGM Hospitality opened its first resort, MGM Grand Sanya on Hainan Island, in the People's Republic of China in early 2012.

Borgata. The Company has a 50% economic interest in Borgata Hotel Casino & Spa (Borgata) located on Renaissance Pointe in the Marina area of Atlantic City, New Jersey. Boyd Gaming Corporation owns the other 50% of Borgata and also operates the resort. The Company's interest is held in trust and was offered for sale pursuant to its amended settlement agreement with the New Jersey Division of Gaming Enforcement and approved by the New Jersey Casino Control Commission (CCC). The terms of the amended settlement agreement previously mandated the sale by March 2014. The Company had the right to direct the sale through March 2013 (the divesture period), subject to approval of the CCC, and the trustee was responsible for selling the trust property during the following 12-month period (the terminal sale period). On February 13, 2013, the settlement agreement was further amended to allow the Company to re-apply to the CCC for licensure in New Jersey and to defer expiration of these periods pending the outcome of the licensure process. The Company has submitted its licensure request to the CCC and there can be no assurances that such request will be approved or with respect to the timing of the licensure process. If the CCC denies the Company's licensure request, then the divesture period will immediately end, and the terminal sale period will immediately begin, which will result in the Company's Borgata interest being disposed of by the trustee pursuant to the terms of the settlement agreement.

The Company consolidates the trust because it is the sole economic beneficiary and accounts for its interest in Borgata under the cost method. The Company reviews its investment carrying value whenever indicators of impairment exist. As of June 30, 2013, the trust had \$118 million of cash and investments, of which \$105 million is held in U.S. treasury securities with maturities greater than three months but less than one year, and is recorded within Prepaid expenses and other. During the three and six months ended June 30, 2013, \$14 million and \$18 million, respectively, and for the three and six months ended June 30, 2012, \$3 million and \$26 million, respectively, was withdrawn from the trust account for the payment of property taxes and interest on the Company's senior credit facility, as authorized in accordance with the terms of the

trust agreement.

Table of Contents

NOTE 2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. As permitted by the rules and regulations of the Securities and Exchange Commission, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted. These consolidated financial statements should be read in conjunction with the Company's 2012 annual consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments which include only normal recurring adjustments necessary to present fairly the Company's interim financial statements. The results for such periods are not necessarily indicative of the results to be expected for the full year.

Fair value measurements. Fair value measurements affect the Company's accounting and impairment assessments of its long-lived assets, investments in unconsolidated affiliates, cost method investments, assets acquired and liabilities assumed in an acquisition, goodwill and other intangible assets. Fair value measurements also affect the Company's accounting for certain of its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured according to a hierarchy that includes: Level 1 inputs, such as quoted prices in an active market; Level 2 inputs, which are observable inputs for similar assets; or Level 3 inputs, which are unobservable inputs.

At June 30, 2013, the fair value of the Company's treasury securities held by the Borgata trust was \$105 million, measured using Level 1 inputs. See Note 1;

The Company uses Level 1 inputs for its long-term debt fair value disclosures. See Note 4; and

The Company used Level 3 inputs when assessing the fair value of its investment in Grand Victoria at June 30, 2013. See Note 3.

Income tax provision. The Company recognizes deferred tax assets, net of applicable reserves, related to net operating loss carryforwards and certain temporary differences with a future tax benefit to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied. Given the negative impact of the U.S. economy on the results of operations in the past several years, the Company no longer relies on projected future domestic operating income in assessing the realization of its domestic deferred tax assets and now relies only on the future reversal of existing domestic taxable temporary differences. As of June 30, 2013, the scheduled future reversal of existing U.S. federal deductible temporary differences exceeds the scheduled future reversal of existing U.S. federal taxable temporary differences. The Company recorded a valuation allowance for U.S. federal deferred tax assets in order to account for this excess, which resulted in an increase in provision for income taxes of \$17 million and \$26 million for the three and six months ended June 30, 2013, respectively.

Income generated from gaming operations of MGM Grand Paradise is exempted from Macau's 12% complementary tax for the five-year period ending December 31, 2016 pursuant to approval from the Macau government granted on September 22, 2011. The approval granted in 2011 represented the second five-year exemption period granted to MGM Grand Paradise. The Company measures the net deferred tax liability of MGM Grand Paradise under the assumption that it will receive an additional five-year exemption beyond 2016. Such assumption is based upon the granting of a third five-year exemption to a competitor of MGM Grand Paradise. The Company believes MGM Grand Paradise should also be entitled to a third five-year exemption in order to ensure non-discriminatory treatment among gaming concessionaires and sub-concessionaires, a requirement under Macanese law. The net deferred tax liability of MGM Grand Paradise was re-measured during the first quarter of 2013 due to the extension of the amortization period of the Macau gaming concession in connection with the effectiveness of the Cotai land concession. This resulted in an increase in the net deferred tax liability and a corresponding increase in provision for income taxes of \$65 million. While non-gaming operations remain subject to the complementary tax, MGM Grand Paradise has tax net operating losses from non-gaming operations that are fully offset by a valuation allowance.

During the first quarter of 2013, the Company settled all issues under appeal in connection with the IRS audits of the Company's consolidated federal income tax returns and the Company's cost method investee returns for the 2003 and 2004 tax years. Unrecognized tax benefits were reduced by \$28 million and provision for income taxes was reduced by \$38 million, including the impact of the settlement on the valuation allowance, as a result of this settlement.

NOTE 3 INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

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Investments in and advances to unconsolidated affiliates consisted of the following:

	June 30, 2013	December 31, 2012
	<i>(In thousands)</i>	
CityCenter Holdings, LLC CityCenter (50%)	\$ 1,217,800	\$ 1,220,741
Elgin Riverboat Resort Riverboat Casino Grand Victoria (50%)	170,000	206,296
Other	20,339	17,510
	\$ 1,408,139	\$ 1,444,547

Table of Contents

The Company recorded its share of the results of operations of unconsolidated affiliates as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Income (loss) from unconsolidated affiliates	\$ 6,682	\$ 5,986	\$ 23,026	\$ (7,323)
Preopening and start-up expenses			(376)	
Non-operating items from unconsolidated affiliates	(38,864)	(20,836)	(60,943)	(47,702)
	\$ (32,182)	\$ (14,850)	\$ (38,293)	\$ (55,025)

Non-operating expense from unconsolidated affiliates for the quarter ended June 30, 2013 includes \$17 million related to statutory interest recorded by CityCenter related to estimated amounts owed in connection with the CityCenter construction litigation. The six months ended June 30, 2012 included \$4 million related to the Company's share of CityCenter's loss on refinancing of long-term debt.

Grand Victoria

At June 30, 2013, the Company reviewed the carrying value of its Grand Victoria investment for impairment due to a higher than anticipated decline in operating results and loss of market share as a result of the opening of a new river boat casino in the Illinois market, as well as a decrease in forecasted cash flows for 2013 through 2017 compared to the prior forecast. The Company used a blended discounted cash flow analysis and guideline public company method to determine the estimated fair value from a market participant's viewpoint. Key assumptions included in the discounted cash flow analysis were estimates of future cash flows including outflows for capital expenditures, a long-term growth rate of 2% and a discount rate of 11%. Key assumptions in the guideline public company method included business enterprise value multiples selected based on the range of multiples in the Company's peer group. As a result of the analysis, the Company determined that it was necessary to record an other-than-temporary impairment charge of \$37 million at June 30, 2013, based on an estimated fair value of \$170 million for the Company's 50% interest. The Company intends to, and believes it will be able to, retain its investment in Grand Victoria; however, due to the extent of the shortfall and the Company's assessment of the uncertainty of fully recovering its investment, the Company has determined that the impairment was other-than-temporary. At June 30, 2012, the Company recorded an impairment charge of \$85 million on its investment in Grand Victoria based on the then estimated fair value of \$205 million for its 50% interest.

CityCenter

CityCenter summary financial information. Summarized balance sheet information of the CityCenter joint venture is as follows:

	June 30, 2013	December 31, 2012
	<i>(In thousands)</i>	
Current assets	\$ 683,700	\$ 546,851
Property and other assets, net	8,440,512	8,606,163
Current liabilities	481,643	451,332
Long-term debt and other long-term obligations	2,583,396	2,533,918
Equity	6,059,173	6,167,764

Summarized income statement information of the CityCenter joint venture is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Net revenues	\$ 333,174	\$ 290,145	\$ 648,316	\$ 529,062

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Operating expenses	(356,948)	(313,129)	(672,258)	(613,503)
Operating loss	(23,774)	(22,984)	(23,942)	(84,441)
Non-operating expense	(101,992)	(64,081)	(169,667)	(139,459)
Net loss	\$ (125,766)	\$ (87,065)	\$ (193,609)	\$ (223,900)

Table of Contents**NOTE 4 LONG-TERM DEBT**

Long-term debt consisted of the following:

	June 30, 2013	December 31, 2012
	<i>(In thousands)</i>	
Senior credit facility:		
\$2,786 million (\$2,800 million at December 31, 2012) term loans, net	\$ 2,778,515	\$ 2,791,284
MGM Grand Paradise credit facility	553,081	553,531
\$462.2 million 6.75% senior notes, due 2013		462,226
\$150 million 7.625% senior subordinated debentures, due 2013, net	150,042	150,539
\$508.9 million 5.875% senior notes, due 2014, net	508,694	508,540
\$875 million 6.625% senior notes, due 2015, net	876,333	876,634
\$1,450 million 4.25% convertible senior notes, due 2015, net	1,458,480	1,460,780
\$242.9 million 6.875% senior notes, due 2016	242,900	242,900
\$732.7 million 7.5% senior notes, due 2016	732,749	732,749
\$500 million 10% senior notes, due 2016, net	496,538	496,110
\$743 million 7.625% senior notes, due 2017	743,000	743,000
\$475 million 11.375% senior notes, due 2018, net	466,765	466,117
\$850 million 8.625% senior notes, due 2019	850,000	850,000
\$1,000 million 6.75% senior notes, due 2020	1,000,000	1,000,000
\$1,250 million 6.625% senior notes, due 2021	1,250,000	1,250,000
\$1,000 million 7.75% senior notes, due 2022	1,000,000	1,000,000
\$0.6 million 7% debentures, due 2036, net	572	572
\$4.3 million 6.7% debentures, due 2096	4,265	4,265
Other notes	27	36
	\$ 13,111,961	\$ 13,589,283

Debt due within one year of the June 30, 2013 balance sheet date is classified as long-term as the Company has both the intent and ability to refinance such amounts on a long-term basis under its senior credit facility.

Senior credit facility. At June 30, 2013, the Company's senior credit facility consisted of \$1.2 billion of revolving loans, a \$1.04 billion term loan A facility and a \$1.74 billion term loan B facility. The revolving and term loan A facilities bear interest at LIBOR plus an applicable rate determined by the Company's credit rating (2.75% as of June 30, 2013). The term loan B facility was re-priced in May 2013 and bears interest at LIBOR plus 2.50%, with a LIBOR floor of 1.00%, a 75 basis point reduction compared to the prior rate. The revolving and term loan A facilities mature in December 2017 and the term loan B facility matures in December 2019. The term loan A and term loan B facilities are subject to scheduled amortization payments on the last day of each calendar quarter from and after March 31, 2013 in an amount equal to 0.25% of the original principal balance. The Company permanently repaid \$14 million in the six months ended June 30, 2013 in accordance with the scheduled amortization. The Company had \$1.16 billion of available borrowing capacity under its senior credit facility at June 30, 2013. At June 30, 2013, the interest rate on the term loan A was 2.95% and the interest rate on the term loan B was 3.50%.

The land and substantially all of the assets of MGM Grand Las Vegas, Bellagio and The Mirage secure up to \$3.35 billion of obligations outstanding under the senior credit facility. In addition, the land and substantially all of the assets of New York-New York and Gold Strike Tunica secure the entire amount of the senior credit facility and the land and substantially all of the assets of MGM Grand Detroit secure its \$450 million of obligations as a co-borrower under the senior credit facility. In addition, the senior credit facility is secured by a pledge of the equity or limited liability company interests of the subsidiaries that own the pledged properties.

The senior credit facility contains customary representations and warranties and customary affirmative and negative covenants. In addition, the senior credit facility requires the Company and its restricted subsidiaries to maintain a minimum trailing four-quarter EBITDA and limits the ability of the Company and its restricted subsidiaries to make capital expenditures. As of June 30, 2013, the Company and its restricted subsidiaries are required to maintain a minimum EBITDA (as defined) of \$1.0 billion. The minimum EBITDA increases to \$1.05 billion for September 30, 2013 and December 31, 2013, with periodic increases thereafter. EBITDA for the trailing twelve months ended June 30, 2013

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calculated in accordance with the terms of the senior credit facility was \$1.2 billion. The Company and its restricted subsidiaries are within the limit of \$500 million of capital expenditures for the calendar year 2013.

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The senior credit facility provides for customary events of default, including, without limitation, (i) payment defaults, (ii) covenant defaults, (iii) cross-defaults to certain other indebtedness in excess of specified amounts, (iv) certain events of bankruptcy and insolvency, (v) judgment defaults in excess of specified amounts, (vi) the failure of any loan document by a significant party to be in full force and effect and such circumstance, in the reasonable judgment of the required lenders, is materially adverse to the lenders, or (vii) the security documents cease to create a valid and perfected first priority lien on any material portion of the collateral. In addition, the senior credit facility provides that a cessation of business due to revocation, suspension or loss of any gaming license affecting a specified amount of its revenues or assets, will constitute an event of default.

MGM China credit facility. The MGM China credit facility consists of approximately \$550 million of term loans and an approximately \$1.45 billion revolving credit facility due October 2017. The credit facility is subject to scheduled amortization payments beginning in 2016. The outstanding balance at June 30, 2013 was comprised solely of term

Table of Contents

loans. The interest rate on the facility fluctuates annually based on HIBOR plus a margin, which was set at 2.5% until April 2013 and ranges between 1.75% and 2.5% thereafter based on MGM China's leverage ratio. The margin was 1.75% at June 30, 2013. MGM China is a joint and several co-borrower with MGM Grand Paradise. MGM Grand Paradise's interest in the Cotai land use right agreement will become collateral under the MGM China credit facility upon finalization of the appropriate government approvals. The material subsidiaries of MGM China continue to guarantee the facilities, and MGM China, MGM Grand Paradise and their guarantor subsidiaries have granted a security interest in substantially all of their assets to secure the amended facilities. The credit facility will be used for general corporate purposes and for the development of the Cotai project.

The MGM China credit facility agreement contains customary representations and warranties, events of default, affirmative covenants and negative covenants, which impose restrictions on, among other things, the ability of MGM China and its subsidiaries to make investments, pay dividends and sell assets, and to incur additional debt and additional liens. MGM China is also required to maintain compliance with a maximum consolidated total leverage ratio of 4.50 to 1.00 prior to the first anniversary of the MGM Cotai opening date and 4.00 to 1.00 thereafter, in addition to a minimum interest coverage ratio of 2.50 to 1.00. MGM China was in compliance with its credit facility covenants at June 30, 2013.

Senior notes. The Company repaid its \$462 million 6.75% senior notes in April 2013 at maturity.

Fair value of long-term debt. The estimated fair value of the Company's long-term debt at June 30, 2013 was \$13.9 billion. At December 31, 2012, the estimated fair value of the Company's long-term debt was \$14.3 billion. Fair value was estimated using quoted market prices for the Company's senior notes, senior subordinated notes and senior credit facility. Carrying value of the MGM China credit facility approximates fair value.

NOTE 5 COMMITMENTS AND CONTINGENCIES

CityCenter construction litigation. In March 2010, Perini Building Company, Inc. (Perini), general contractor for CityCenter, filed a lawsuit in the Eighth Judicial District Court for Clark County, State of Nevada, against MGM MIRAGE Design Group (a wholly owned subsidiary of the Company which was the original party to the Perini construction agreement) and certain direct or indirect subsidiaries of CityCenter Holdings, LLC (the CityCenter Owners). Perini asserted that CityCenter was substantially completed, but the defendants failed to pay Perini approximately \$490 million allegedly due and owing under the construction agreement for labor, equipment and materials expended on CityCenter. The complaint further charged the defendants with failure to provide timely and complete design documents, late delivery to Perini of design changes, mismanagement of the change order process, obstruction of Perini's ability to complete the Harmon component, and fraudulent inducement of Perini to compromise significant amounts due for its general conditions. The complaint advanced claims for breach of contract, breach of the implied covenant of good faith and fair dealing, tortious breach of the implied covenant of good faith and fair dealing, unjust enrichment and promissory estoppel, and fraud and intentional misrepresentation. Perini seeks compensatory damages, punitive damages, attorneys' fees and costs.

In April 2010, Perini served an amended complaint in this case which joins as defendants many owners of CityCenter residential condominium units (the Condo Owner Defendants), added a count for foreclosure of Perini's recorded master mechanic's lien against the CityCenter property in the amount of approximately \$491 million, and asserted the priority of this mechanic's lien over the interests of the CityCenter Owners, the Condo Owner Defendants and CityCenter lenders in the CityCenter property.

The CityCenter Owners and the other defendants dispute Perini's allegations, and contend that the defendants are entitled to substantial amounts from Perini, including offsets against amounts claimed to be owed to Perini and its subcontractors and damages based on breach of their contractual and other duties to CityCenter, duplicative payment requests, non-conforming work, lack of proof of alleged work performance, defective work related to the Harmon, property damage and Perini's failure to perform its obligations to pay certain subcontractors and to prevent filing of liens against CityCenter. Parallel to the court litigation, CityCenter management conducted an extra-judicial program for settlement of CityCenter subcontractor claims. Prior to June 30, 2013, CityCenter resolved the claims of 215 first-tier Perini subcontractors (including the claims of any lower-tier subcontractors that might have claims through those first-tier subcontractors), with only seven remaining for further proceedings along with trial of Perini's claims and CityCenter's Harmon-related counterclaim and other claims by CityCenter against Perini and its parent guarantor, Tutor Perini. Subsequent to June 30, 2013, CityCenter reached settlement with four additional subcontractors; of the three remaining, two are implicated in the defective work at the Harmon. In August 2012, Perini recorded an amended notice of lien reducing its lien to approximately \$191 million. In May 2013, Perini served an expert witness disclosure which asserted an increase in Perini's claim for its work and materials on the CityCenter project, but Perini has not filed with the court an amended lien reflecting such additional amounts.

In November 2012, Perini filed a second amended complaint which, among other things, added claims against the CityCenter defendants of breach of contract alleging that CityCenter's Owner Controlled Insurance Program (OCIP) failed to provide adequate project insurance for Perini with broad coverages and high limits, and tortious breach of the implied covenant of good faith and fair dealing alleging improper administration by CityCenter of the OCIP and Builders Risk insurance programs.

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Trial of all claims, including the Perini and remaining subcontractor lien claims against CityCenter, and CityCenter's counterclaims against Perini and certain subcontractors for defective work at the Harmon has been set to commence on February 10, 2014.

Table of Contents

The CityCenter Owners and the other defendants will continue to vigorously assert and protect their interests in the Perini lawsuit. The Company believes it is reasonably possible that the CityCenter Owners and the other defendants could be liable for up to \$178 million in connection with this lawsuit. Such amounts would be funded in part under the Company's completion guarantee which is discussed below. The Company's estimation of reasonably possible liability does not include any offset for amounts that may be recovered on its counterclaims against Perini and certain subcontractors for defective work at the Harmon.

CityCenter completion guarantee. In January 2011, the Company entered into an amended completion and cost overrun guarantee, which is collateralized by substantially all of the assets of Circus Circus Las Vegas, as well as certain undeveloped land adjacent to that property. The terms of the amended completion guarantee provide CityCenter the ability to utilize up to \$124 million of subsequent net residential proceeds to fund construction costs, or to reimburse the Company for construction costs previously expended. As of June 30, 2013, CityCenter had received net residential proceeds in excess of the \$124 million and is holding \$112 million in a separate bank account representing the remaining condo proceeds available to fund completion guarantee obligations or be reimbursed to the Company. In accordance with CityCenter's credit agreement and bond indentures such amounts can only be used to fund construction lien obligations or reimbursed to the Company once the Perini litigation is settled.

As of June 30, 2013, the Company has funded \$704 million under the completion guarantee and has accrued a liability of \$59 million which includes estimated litigation costs related to the resolution of disputes with contractors concerning the final construction costs and estimated amounts to be paid to contractors through the legal process related to the Perini litigation. The Company believes it is reasonably possible it could be liable for an additional \$20 million in excess of the amount it has accrued. The Company's estimated obligation has been offset by \$112 million of condominium proceeds received by CityCenter, which are available to fund construction lien claims upon the resolution of the Perini litigation. Also, the Company's accrual reflects certain estimated offsets to the amounts claimed by the contractors. Moreover, the Company has not accrued for any contingent payments to CityCenter related to the Harmon component, which will not be completed using the building as it now stands.

Harmon demolition. In response to a request by the Clark County Building Division (the Building Division), CityCenter engaged an engineer to conduct an analysis, based on all available information, as to the structural stability of the Harmon under building-code-specified load combinations. On July 11, 2011, that engineer submitted the results of his analysis of the Harmon tower and podium in its current as-built condition. The engineer opined, among other things, that "[i]n a code-level earthquake, using either the permitted or current code specified loads, it is likely that critical structural members in the tower will fail and become incapable of supporting gravity loads, leading to a partial or complete collapse of the tower. There is missing or misplaced reinforcing steel in columns, beams, shear walls, and transfer walls throughout the structure of the tower below the twenty-first floor. Based on this engineering opinion, the Building Division requested a plan of action from CityCenter. CityCenter informed the Building Division that it decided to abate the potential for structural collapse of the Harmon in the event of a code-level earthquake by demolishing the building, and enclosed a plan of action for demolition by implosion prepared by LVI Environmental Services of Nevada, Inc (LVI). CityCenter also advised that prior to undertaking the demolition plan of action, it would seek relief from a standing order of the district court judge presiding over the Perini litigation that prohibits alteration or destruction of the building without court approval. In addition, CityCenter supplied the foundational data for the engineering conclusions stated in the July 11, 2011 letter declaring the Harmon's structural instability in the event of a code-level earthquake. On November 22, 2011, the Building Division required that CityCenter submit a plan to abate the code deficiencies discovered in the Harmon tower.

In December 2011, CityCenter resubmitted to the Building Division the plan of abatement action prepared by LVI which was first submitted on August 15, 2011, and met with the Building Division about the requirements necessary to obtain demolition permits and approvals. As discussed above, the timing of the demolition of the Harmon is subject to rulings in the Perini litigation.

The district court presiding over the Perini litigation had previously granted CityCenter's motion to demolish the Harmon, but stayed the demolition to allow CityCenter an opportunity to conduct additional Phase 4 destructive testing at the Harmon following the court's order prohibiting CityCenter's structural engineering expert from extrapolating the results of pre-Phase 4 testing to untested portions of the building.

In May 2013 CityCenter completed additional Phase 4 destructive testing of 468 structural elements at the Harmon, analysis of which data confirmed the existence of a wide variety of construction defects throughout the Harmon tower. In his June 2013 expert report CityCenter's structural engineer opined that the additional test results and extrapolation thereof to untested portions of the building show that after a service-level earthquake (typically defined as an earthquake with a 50% chance of occurring in 30 years), the Harmon can be expected to sustain extensive damage and failure of many structural elements, and in a large earthquake, such as a building code-level earthquake, critical elements of the Harmon are likely to fail and lead to a partial or complete collapse of the tower. In April 2013 Perini's structural engineering expert John A. Martin & Associates (JAMA) had sent a letter to the Clark County Building Division which declared in part that JAMA no longer believes that the Harmon Tower can be repaired to a code compliant structure, which condition JAMA attributed to CityCenter's building testing. On July 18, 2013 CityCenter filed a renewed motion with the district court for permission to demolish the Harmon. That motion has been set for hearing on August 30, 2013.

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The Company does not believe it would be responsible for funding under the completion guarantee any additional remediation efforts that might be required with respect to the Harmon; however, the Company's view is based on a number of developing factors, including with respect to on-going litigation with CityCenter's contractors, actions by local officials and other developments related to the CityCenter venture, all of which are subject to change. CityCenter's revolving credit facility provides that certain demolition or repair expenses may be funded only from (i) member

Table of Contents

contributions designated for demolition of the Harmon, (ii) the proceeds of certain specified extraordinary receipts (which include any proceeds from the Perini litigation) or (iii) cash or cash equivalents in an amount not to exceed \$30 million in the aggregate. Based on current estimates, which are subject to change, the Company believes the demolition of the Harmon would cost approximately \$30 million.

Sales and use tax on complimentary meals. In March 2008, the Nevada Supreme Court ruled, in a case involving another gaming company, that food and non-alcoholic beverages purchased for use in providing complimentary meals to customers and to employees were exempt from use tax. The Company had previously paid use tax on these items and had generally filed for refunds for the periods from January 2001 to February 2008 related to this matter, which refunds had not been paid. The Company claimed the exemption on sales and use tax returns for periods after February 2008 in light of this Nevada Supreme Court decision and had not accrued or paid any sales or use tax for those periods. In February 2012, the Nevada Department of Taxation asserted that customer complimentary meals and employee meals were subject to sales tax on a prospective basis commencing February 15, 2012. In July 2012, the Nevada Department of Taxation announced that sales taxes applicable to such meals would be due and payable without penalty or interest at the earlier of certain regulatory, judicial or legislative events or June 30, 2013. The Nevada Department of Taxation's position stemmed from a Nevada Tax Commission decision concerning another gaming company which stated that complimentary meals provided to customers are subject to sales tax at the retail value of the meal and employee meals are subject to sales tax at the cost of the meal. The Clark County District Court subsequently issued a ruling in such case that held that complimentary meals provided to customers were subject to sales tax, while meals provided to employees were not subject to sales tax. This decision had been appealed to the Nevada Supreme Court.

In June 2013, the Company and other similarly situated companies entered into a global settlement agreement with the Nevada Department of Taxation that, when combined with the contemporaneous passage of legislation governing the prospective treatment of complimentary meals (AB 506), resolved all matters concerning the prior and future taxability of such meals. AB 506 provides that complimentary meals provided to customers and employees after the effective date of the bill are not subject to either sales or use tax. Under the terms of the global settlement, the Company agreed to withdraw its refund requests and the Nevada Department of Tax agreed to drop its assertion that sales tax was due on such meals up to the effective date of AB 506. Since the Company did not previously accrue either the claims for refund of use taxes or any liability for sales taxes that the Nevada Department of Tax may have asserted prior to entering the global settlement agreement, there is no financial statement impact of entering into the settlement agreement.

Cotai land concession contract. MGM Grand Paradise's land concession contract for an approximately 17.8 acre site in Cotai, Macau became effective on January 9, 2013 and has an initial term of 25 years. The land premium payable to the Macau government for the land concession contract is \$161 million and is composed of a down payment and eight additional semi-annual payments. As of June 30, 2013, MGM China had paid \$56 million as the initial down payment of the contract premium recorded within other long-term assets, net of amortization, discussed below. Including interest on the eight semi-annual payments, MGM China has \$118 million remaining payable for the land concession contract. The Company accounts for the Cotai land concession contract as an operating lease. As such, the required upfront payments are amortized over the initial 25-year contract term. As of the three and six months ended June 30, 2013, the Company had amortized \$2 million and \$4 million, respectively, which is classified as preopening expense during the construction of the project. In addition, in connection with the effectiveness of the Cotai land concession, the Company extended the useful life of its Macau gaming concession and is amortizing it on a straight-line basis through the initial term of the Cotai land concession.

Other guarantees. The Company is party to various guarantee contracts in the normal course of business, which are generally supported by letters of credit issued by financial institutions. The Company's senior credit facility limits the amount of letters of credit that can be issued to \$500 million, and the amount of available borrowings under the senior credit facility is reduced by any outstanding letters of credit. At June 30, 2013, the Company had provided \$35 million of total letters of credit. At June 30, 2013, MGM China had provided \$39 million of guarantees under its credit facility.

Other litigation. The Company is party to various legal proceedings, most of which relate to routine matters incidental to its business. Management does not believe that the outcome of such proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

NOTE 6 INCOME (LOSS) PER SHARE OF COMMON STOCK

The weighted-average number of common and common equivalent shares used in the calculation of basic and diluted income (loss) per share consisted of the following:

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	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<i>(In thousands)</i>				
Numerator:				
Net loss attributable to MGM Resorts International	\$ (92,958)	\$ (145,452)	\$ (86,412)	\$ (362,705)
Denominator:				
Weighted-average common shares outstanding	489,484	488,931	489,388	488,896
Anti-dilutive share-based awards excluded from the calculation of diluted earnings per share	18,498	23,942	18,498	23,942

Table of Contents**NOTE 7 STOCKHOLDERS EQUITY AND NONCONTROLLING INTERESTS**

Noncontrolling interests. The noncontrolling interests in MGM China and other minor subsidiaries are presented as a separate component of stockholders' equity in the Company's consolidated balance sheets and the net income attributable to noncontrolling interests is presented on the Company's consolidated statements of operations. For the six months ended June 30, 2013 and 2012, distributions to noncontrolling interests were \$259 million and \$204 million, respectively, related primarily to MGM China dividends discussed below.

MGM China dividends. MGM China paid a \$500 million special dividend in March 2013, of which \$255 million remained within the consolidated entity and \$245 million was distributed to noncontrolling interests. MGM China paid a \$400 million special dividend in March 2012, of which \$204 million remained within the consolidated entity and \$196 million was distributed to noncontrolling interests.

On August 6, 2013, MGM China's board of directors announced a dividend of \$113 million, which will be paid to shareholders of record as of August 26, 2013 and distributed on or about September 2, 2013. The Company will receive \$57 million, representing its 51% share of the dividend.

Supplemental equity information. The following table presents the Company's changes in stockholders' equity for the six months ended June 30, 2013:

	MGM Resorts International Stockholders Equity	Noncontrolling Interests (In thousands)	Total Stockholders Equity
Balances, January 1, 2013	\$ 4,365,548	\$ 3,750,468	\$ 8,116,016
Net income (loss)	(86,412)	78,412	(8,000)
Foreign currency translation adjustment	(3,110)	(3,115)	(6,225)
Other comprehensive income from unconsolidated affiliate, net	115		115
Stock-based compensation	15,485	1,649	17,134
Issuance of MGM Resorts common stock pursuant to stock-based compensation awards	(2,260)		(2,260)
Cash distributions to noncontrolling interest owners		(259,017)	(259,017)
Other	(305)	(292)	(597)
Balances, June 30, 2013	\$ 4,289,061	\$ 3,568,105	\$ 7,857,166

Accumulated other comprehensive income (loss). Changes in accumulated other comprehensive income (loss) by component are as follows:

	Foreign Currency Translation Adjustment	Other Adjustments (In thousands)	Total
Balance at January 1, 2013	\$ 14,997	\$ (694)	\$ 14,303
Current period other comprehensive income (loss)	(3,110)	115	(2,995)
Balance at June 30, 2013	\$ 11,887	\$ (579)	\$ 11,308

NOTE 8 STOCK-BASED COMPENSATION

2005 Omnibus Incentive Plan. As of June 30, 2013, the Company had an aggregate of 16 million shares of common stock available for grant as share-based awards under the Company's omnibus incentive plan (Omnibus Plan). A summary of activity under the Omnibus Plan for the six months ended June 30, 2013 is presented below:

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Stock options and stock appreciation rights (SARs)

	Units (000 s)	Weighted Average Exercise Price
Outstanding at January 1, 2013	22,929	\$ 14.44
Granted	60	12.80
Exercised	(1,394)	9.36
Forfeited or expired	(5,121)	14.98
Outstanding at June 30, 2013	16,474	14.69
Exercisable at June 30, 2013	9,596	17.81

Table of ContentsRestricted stock units (RSUs) and performance share units (PSUs)

	RSUs		PSUs	
	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
	(000 s)		(000 s)	
Nonvested at January 1, 2013	1,424	\$ 10.17	688	\$ 10.03
Granted	103	14.93		
Vested	(133)	12.51		
Forfeited	(52)	9.94	(6)	10.03
Nonvested at June 30, 2013	1,342	10.31	682	10.03

MGM China Share Option Plan. As of June 30, 2013, MGM China had an aggregate of 1.0 billion shares of options available for grant as share-based awards under the MGM China share option plan (MGM China Plan). A summary of activity under the MGM China Plan for the six months ended June 30, 2013 is presented below:

Stock options

	Units	Weighted Average Exercise Price
	(000 s)	
Outstanding at January 1, 2013	19,235	\$ 1.98
Granted	280	2.45
Exercised	(715)	2.01
Forfeited or expired	(170)	2.01
Outstanding at June 30, 2013	18,630	2.19
Exercisable at June 30, 2013	8,081	2.00

Recognition of compensation cost. Compensation cost for both the Omnibus Plan and MGM China Plan was recognized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Compensation cost:				
Omnibus Plan	\$ 6,508	\$ 9,763	\$ 13,768	\$ 20,156
MGM China Plan	1,686	1,424	3,366	2,695
Total compensation cost	8,194	11,187	17,134	22,851
Less: Reimbursed costs and other	(262)	(995)	(579)	(2,055)
Compensation cost recognized as expense	7,932	10,192	16,555	20,796
Less: Related tax expense (benefit)		36		(417)
Compensation expense, net of tax expense (benefit)	\$ 7,932	\$ 10,228	\$ 16,555	\$ 20,379

NOTE 9 PROPERTY TRANSACTIONS, NET

Property transactions, net includes:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Grand Victoria investment impairment charge	\$ 36,607	\$ 85,009	\$ 36,607	\$ 85,009
Corporate buildings impairment charge	44,510		44,510	
Other property transactions, net	7,014	5,458	15,505	6,375
	\$ 88,131	\$ 90,467	\$ 96,622	\$ 91,384

See Note 3 for discussion of the Grand Victoria investment impairment charge in 2013 and 2012. During the second quarter of 2013, the Company recorded an impairment charge of \$45 million related to corporate buildings which are expected to be removed from service. In June 2013, the Company executed agreements formalizing the details of a joint venture to build a new Las Vegas arena project, of which the Company will own 50%, that will be located on the land underlying these buildings. Other property transactions, net for the three and six months ended June 30, 2013 and 2012 include miscellaneous asset disposals and demolition costs.

Table of Contents**NOTE 10 SEGMENT INFORMATION**

The Company's management views each of its casino resorts as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate, and their management and reporting structure. The Company's principal operating activities occur in two geographic regions: the United States and Macau S.A.R. The Company has aggregated its operations into two reportable segments based on the similar characteristics of the operating segments within the regions in which they operate: wholly owned domestic resorts and MGM China. The Company's operations related to investments in unconsolidated affiliates, MGM Hospitality, and certain other corporate and management operations have not been identified as separate reportable segments; therefore, these operations are included in corporate and other in the following segment disclosures to reconcile to consolidated results.

The Company's management utilizes Adjusted Property EBITDA as the primary profit measure for its reportable segments. Adjusted Property EBITDA is a non-GAAP measure defined as Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which are not allocated to the reportable segments. MGM China recognizes stock compensation expense related to its stock compensation plan which is included in the calculation of Adjusted EBITDA for MGM China. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses and property transactions, net.

The following tables present the Company's segment information:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Net Revenues:				
Wholly owned domestic resorts	\$ 1,535,996	\$ 1,505,228	\$ 3,025,184	\$ 2,984,826
MGM China	835,149	709,296	1,582,706	1,411,386
Reportable segment net revenues	2,371,145	2,214,524	4,607,890	4,396,212
Corporate and other	110,120	109,241	225,523	215,143
	\$ 2,481,265	\$ 2,323,765	\$ 4,833,413	\$ 4,611,355
Adjusted EBITDA:				
Wholly owned domestic resorts	\$ 375,603	\$ 345,158	\$ 736,640	\$ 666,130
MGM China	204,815	186,560	385,270	351,081
Reportable segment Adjusted Property EBITDA	580,418	531,718	1,121,910	1,017,211
Corporate and other	(39,028)	(30,233)	(56,148)	(85,394)
	541,390	501,485	1,065,762	931,817
Other operating expense:				
Preopening and start-up expenses	(3,506)		(5,652)	
Property transactions, net	(88,131)	(90,467)	(96,622)	(91,384)
Depreciation and amortization	(218,151)	(235,643)	(430,069)	(472,452)
Operating income	231,602	175,375	533,419	367,981
Non-operating income (expense):				
Interest expense, net of amounts capitalized	(214,500)	(276,323)	(439,947)	(560,665)
Non-operating items from unconsolidated affiliates	(38,864)	(20,836)	(60,943)	(47,702)
Other, net	(4,951)	46	(6,233)	(57,530)

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	(258,315)	(297,113)	(507,123)	(665,897)
Income (loss) before income taxes	(26,713)	(121,738)	26,296	(297,916)
Benefit (provision) for income taxes	(3,865)	51,304	(34,296)	24,175
Net loss	(30,578)	(70,434)	(8,000)	(273,741)
Less: Net income attributable to noncontrolling interests	(62,380)	(75,018)	(78,412)	(88,964)
Net loss attributable to MGM Resorts International	\$ (92,958)	\$ (145,452)	\$ (86,412)	\$ (362,705)

Table of Contents

NOTE 11 RELATED PARTY TRANSACTIONS

MGM China. MGM Branding and Development Holdings, Ltd., (together with its subsidiary MGM Development Services, Ltd, MGM Branding and Development), an entity included in the Company's consolidated financial statements in which Ms. Pansy Ho indirectly holds a noncontrolling interest, has a brand license agreement with MGM China. MGM China pays a license fee to MGM Branding and Development equal to 1.75% of MGM China's consolidated net revenue, subject to an annual cap of \$36 million in 2013 with a 20% increase per annum during the agreement term. During the three and six months ended June 30, 2013, MGM China incurred total license fees of \$15 million and \$28 million, respectively. In the three and six months ended June 30, 2012 total license fees of \$12 million and \$25 million, respectively, were incurred by MGM China. Such amounts have been eliminated in consolidation.

MGM China also has a development services agreement with MGM Branding and Development to provide certain development services to MGM China in connection with future expansion of existing projects and development of future resort gaming projects. Such services are subject to a development fee which is calculated separately for each resort casino property upon commencement of development. For each such property, the fee is 2.625% of project costs, to be paid in installments as certain benchmarks are achieved. Project costs are the total costs incurred for the design, development and construction of the casino, casino hotel, integrated resort and other related sites associated with each project, including costs of construction, fixtures and fittings, signage, gaming and other supplies and equipment and all costs associated with the opening of the business to be conducted at each project but excluding the cost of land and gaming concessions and financing costs. The development fee for MGM Cotai is subject to a cap of \$22 million in 2013, which will increase by 10% per annum for each year during the term of the agreement. During the six months ended June 30, 2013, MGM China incurred \$15 million of fees to MGM Branding and Development related to development services. During the three and six months ended June 30, 2012, MGM China incurred \$6 million of fees to MGM Branding and Development related to development services. Such amounts have been eliminated in consolidation.

An entity owned by Ms. Pansy Ho received distributions of \$4 million and \$14 million during the three and six months ended June 30, 2013, respectively, in connection with the ownership of a noncontrolling interest in MGM Branding and Development. The entity received distributions of \$6 million and \$9 million in the three and six months ended June 30, 2012, respectively.

Table of Contents**NOTE 12 CONDENSED CONSOLIDATING FINANCIAL INFORMATION**

The Company's domestic subsidiaries, excluding certain minor subsidiaries, its domestic insurance subsidiaries and MGM Grand Detroit, LLC, have fully and unconditionally guaranteed, on a joint and several basis, payment of the senior credit facility and the outstanding debt securities. The Company's international subsidiaries, including MGM China, are not guarantors of such indebtedness. The Company has corrected certain prior year amounts in the current year's presentation of the Company's condensed consolidating statement of operations and comprehensive income and condensed consolidating statement of cash flows for intercompany balances between the parent and its guarantor and non-guarantor subsidiaries as required by Regulation S-X, Rule 3-10. Separate condensed financial statement information for the subsidiary guarantors and non-guarantors as of June 30, 2013 and December 31, 2012 and for the three and six months ended June 30, 2013 and 2012 is as follows:

CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION

	Parent	Guarantor Subsidiaries	At June 30, 2013 Non-Guarantor Subsidiaries (In thousands)	Elimination	Consolidated
Current assets	\$ 245,269	\$ 860,178	\$ 1,105,100	\$ (307)	\$ 2,210,240
Property and equipment, net		12,665,396	1,388,885	(11,972)	14,042,309
Investments in subsidiaries	19,732,256	3,920,363		(23,652,619)	
Investments in and advances to unconsolidated affiliates		1,399,500	8,639		1,408,139
Other non-current assets	164,732	552,185	7,344,532		8,061,449
	\$ 20,142,257	\$ 19,397,622	\$ 9,847,156	\$ (23,664,898)	\$ 25,722,137
Current liabilities	\$ 268,962	\$ 976,498	\$ 860,993	\$ (8,307)	\$ 2,098,146
Intercompany accounts	1,331,204	(1,349,059)	17,855		
Deferred income taxes	2,188,705		316,295		2,505,000
Long-term debt	11,956,077	154,905	1,000,979		13,111,961
Other long-term obligations	108,248	40,780	836		149,864
Total liabilities	15,853,196	(176,876)	2,196,958	(8,307)	17,864,971
MGM Resorts stockholders' equity	4,289,061	19,574,498	4,082,093	(23,656,591)	4,289,061
Noncontrolling interests			3,568,105		3,568,105
Total stockholders' equity	4,289,061	19,574,498	7,650,198	(23,656,591)	7,857,166
	\$ 20,142,257	\$ 19,397,622	\$ 9,847,156	\$ (23,664,898)	\$ 25,722,137

	Parent	Guarantor Subsidiaries	At December 31, 2012 Non-Guarantor Subsidiaries (In thousands)	Elimination	Consolidated
Current assets	\$ 438,878	\$ 891,826	\$ 1,176,844	\$ (456)	\$ 2,507,092
Property and equipment, net		12,881,152	1,325,472	(11,972)	14,194,652
Investments in subsidiaries	19,785,312	4,077,228		(23,862,540)	
Investments in and advances to unconsolidated affiliates		1,437,151	7,396		1,444,547
Other non-current assets	163,372	541,634	7,433,441		8,138,447
	\$ 20,387,562	\$ 19,828,991	\$ 9,943,153	\$ (23,874,968)	\$ 26,284,738

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Current liabilities	\$ 272,138	\$ 989,864	\$ 672,125	\$ (8,456)	\$ 1,925,671
Intercompany accounts	960,610	(983,288)	22,678		
Deferred income taxes	2,222,823		251,066		2,473,889
Long-term debt	12,432,581	155,413	1,001,289		13,589,283
Other long-term obligations	133,862	45,303	714		179,879
Total liabilities	16,022,014	207,292	1,947,872	(8,456)	18,168,722
MGM Resorts stockholders' equity	4,365,548	19,621,699	4,244,813	(23,866,512)	4,365,548
Noncontrolling interests			3,750,468		3,750,468
Total stockholders' equity	4,365,548	19,621,699	7,995,281	(23,866,512)	8,116,016
	\$ 20,387,562	\$ 19,828,991	\$ 9,943,153	\$ (23,874,968)	\$ 26,284,738

Table of Contents**CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME INFORMATION**

	Three Months Ended June 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries <i>(In thousands)</i>	Elimination	Consolidated
Net revenues	\$	\$ 1,513,692	\$ 968,039	\$ (466)	\$ 2,481,265
Equity in subsidiaries earnings	120,773	78,596		(199,369)	
Casino and hotel operations	1,366	920,319	658,650	(466)	1,579,869
General and administrative	1,037	260,928	52,359		314,324
Corporate expense	14,646	30,375	7,343		52,364
Preopening and start-up expenses		1,248	2,258		3,506
Property transactions, net		87,980	151		88,131
Depreciation and amortization		135,887	82,264		218,151
	17,049	1,436,737	803,025	(466)	2,256,345
Income from unconsolidated affiliates		5,620	1,062		6,682
Operating income (loss)	103,724	161,171	166,076	(199,369)	231,602
Interest expense, net of amounts capitalized	(199,982)	(2,714)	(11,804)		(214,500)
Other, net	12,595	(39,034)	(17,376)		(43,815)
Income (loss) before income taxes	(83,663)	119,423	136,896	(199,369)	(26,713)
Benefit (provision) for income taxes	(9,295)	5,955	(525)		(3,865)
Net income (loss)	(92,958)	125,378	136,371	(199,369)	(30,578)
Less: Net income attributable to noncontrolling interests			(62,380)		(62,380)
Net income (loss) attributable to MGM Resorts International	\$ (92,958)	\$ 125,378	\$ 73,991	\$ (199,369)	\$ (92,958)
Net income (loss)	\$ (92,958)	\$ 125,378	\$ 136,371	\$ (199,369)	\$ (30,578)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment	3,326	3,326	6,416	(6,652)	6,416
Other comprehensive income (loss)	3,326	3,326	6,416	(6,652)	6,416
Comprehensive income (loss)	(89,632)	128,704	142,787	(206,021)	(24,162)
Less: Comprehensive income attributable to noncontrolling interests			(65,470)		(65,470)
Comprehensive income (loss) attributable to MGM Resorts International	\$ (89,632)	\$ 128,704	\$ 77,317	\$ (206,021)	\$ (89,632)

Table of Contents

	Six Months Ended June 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Elimination	Consolidated
Net revenues	\$	\$ 2,977,657	\$ 1,856,701	\$ (945)	\$ 4,833,413
Equity in subsidiaries earnings	304,196	108,582		(412,778)	
Expenses:					
Casino and hotel operations	2,876	1,806,402	1,265,131	(945)	3,073,464
General and administrative	2,127	512,477	103,621		618,225
Corporate expense	29,454	58,114	11,420		98,988
Preopening and start-up expenses		1,020	4,632		5,652
Property transactions, net		96,275	347		96,622
Depreciation and amortization		263,718	166,351		430,069
	34,457	2,738,006	1,551,502	(945)	4,323,020
Income from unconsolidated affiliates		21,958	1,068		23,026
Operating income (loss)	269,739	370,191	306,267	(412,778)	533,419
Interest expense, net of amounts capitalized	(408,665)	(5,699)	(25,583)		(439,947)
Other, net	27,761	(61,852)	(33,085)		(67,176)
Income (loss) before income taxes	(111,165)	302,640	247,599	(412,778)	26,296
Benefit (provision) for income taxes	24,753	7,412	(66,461)		(34,296)
Net income (loss)	(86,412)	310,052	181,138	(412,778)	(8,000)
Less: Net income attributable to noncontrolling interests			(78,412)		(78,412)
Net income (loss) attributable to MGM Resorts International	\$ (86,412)	\$ 310,052	\$ 102,726	\$ (412,778)	\$ (86,412)
Net income (loss)	\$ (86,412)	\$ 310,052	\$ 181,138	\$ (412,778)	\$ (8,000)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment	(3,110)	(3,110)	(6,225)	6,220	(6,225)
Other	115	115		(115)	115
Other comprehensive income (loss)	(2,995)	(2,995)	(6,225)	6,105	(6,110)
Comprehensive income (loss)	(89,407)	307,057	174,913	(406,673)	(14,110)
Less: Comprehensive income attributable to noncontrolling interests			(75,297)		(75,297)
Comprehensive income (loss) attributable to MGM Resorts International	\$ (89,407)	\$ 307,057	\$ 99,616	\$ (406,673)	\$ (89,407)

Table of Contents**CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION**

	Six Months Ended June 30, 2013				Consolidated
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries <i>(In thousands)</i>	Elimination	
Cash flows from operating activities					
Net cash provided by (used in) operating activities	\$ (402,258)	\$ 565,476	\$ 566,844	\$	\$ 730,062
Cash flows from investing activities					
Capital expenditures, net of construction payable		(108,574)	(134,304)		(242,878)
Dispositions of property and equipment		127	196		323
Investments in and advances to unconsolidated affiliates	(12,400)	(2,000)			(14,400)
Investments in treasury securities - maturities longer than 90 days		(120,332)			(120,332)
Proceeds from treasury securities - maturities longer than 90 days		135,268			135,268
Other		1,806			1,806
Net cash used in investing activities	(12,400)	(93,705)	(134,108)		(240,213)
Cash flows from financing activities					
Net repayments under bank credit facilities - maturities of 90 days or less	(14,000)				(14,000)
Borrowings under bank credit facilities - maturities longer than 90 days	2,343,000		450,000		2,793,000
Repayments under bank credit facilities - maturities longer than 90 days	(2,343,000)		(450,000)		(2,793,000)
Retirement of senior notes	(462,226)	(8)			(462,234)
Debt issuance costs	(17,061)				(17,061)
Intercompany accounts	756,926	(488,344)	(268,582)		
Distributions to noncontrolling interest owners			(259,016)		(259,016)
Other	(1,346)		(341)		(1,687)
Net cash provided by (used in) financing activities	262,293	(488,352)	(527,939)		(753,998)
Effect of exchange rate on cash			(687)		(687)
Cash and cash equivalents					
Net decrease for the period	(152,365)	(16,581)	(95,890)		(264,836)
Balance, beginning of period	254,385	226,242	1,062,882		1,543,509
Balance, end of period	\$ 102,020	\$ 209,661	\$ 966,992	\$	\$ 1,278,673

Table of Contents**CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME INFORMATION**

	Three Months Ended June 30, 2012				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries <i>(In thousands)</i>	Elimination	Consolidated
Net revenues	\$	\$ 1,472,301	\$ 852,001	\$ (537)	\$ 2,323,765
Equity in subsidiaries earnings	126,765	87,809		(214,574)	
Expenses:					
Casino and hotel operations	1,912	916,172	558,701	(537)	1,476,248
General and administrative	1,873	255,863	51,742		309,478
Corporate expense	14,678	27,850	12		42,540
Property transactions, net		88,120	2,347		90,467
Depreciation and amortization		130,705	104,938		235,643
	18,463	1,418,710	717,740	(537)	2,154,376
Income (loss) from unconsolidated affiliates		6,062	(76)		5,986
Operating income (loss)	108,302	147,462	134,185	(214,574)	175,375
Interest expense, net of amounts capitalized	(261,601)	(2,747)	(11,975)		(276,323)
Other, net	13,942	(20,525)	(14,207)		(20,790)
Income (loss) before income taxes	(139,357)	124,190	108,003	(214,574)	(121,738)
Benefit (provision) for income taxes	(6,095)	(677)	58,076		51,304
Net income (loss)	(145,452)	123,513	166,079	(214,574)	(70,434)
Less: Net income attributable to noncontrolling interests			(75,018)		(75,018)
Net income (loss) attributable to MGM Resorts International	\$ (145,452)	\$ 123,513	\$ 91,061	\$ (214,574)	\$ (145,452)
Net income (loss)	\$ (145,452)	\$ 123,513	\$ 166,079	\$ (214,574)	\$ (70,434)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment	4,209	4,209	8,313	(8,418)	8,313
Other comprehensive income (loss)	4,209	4,209	8,313	(8,418)	8,313
Comprehensive income (loss)	(141,243)	127,722	174,392	(222,992)	(62,121)
Less: Comprehensive income attributable to noncontrolling interests			(79,122)		(79,122)
Comprehensive income (loss) attributable to MGM Resorts International	\$ (141,243)	\$ 127,722	\$ 95,270	\$ (222,992)	\$ (141,243)

Table of Contents

	Six Months Ended June 30, 2012				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries <i>(In thousands)</i>	Elimination	Consolidated
Net revenues	\$	\$ 2,906,836	\$ 1,705,056	\$ (537)	\$ 4,611,355
Equity in subsidiaries earnings	227,723	112,501		(340,224)	
Expenses:					
Casino and hotel operations	4,243	1,828,522	1,142,420	(537)	2,974,648
General and administrative	3,830	506,540	102,397		612,767
Corporate expense	32,329	52,692	(221)		84,800
Property transactions, net		89,037	2,347		91,384
Depreciation and amortization		261,185	211,267		472,452
	40,402	2,737,976	1,458,210	(537)	4,236,051
Loss from unconsolidated affiliates		(7,212)	(111)		(7,323)
Operating income (loss)	187,321	274,149	246,735	(340,224)	367,981
Interest expense, net of amounts capitalized	(529,909)	(5,508)	(25,248)		(560,665)
Other, net	(30,715)	(46,738)	(27,779)		(105,232)
Income (loss) before income taxes	(373,303)	221,903	193,708	(340,224)	(297,916)
Benefit (provision) for income taxes	10,598	(972)	14,549		24,175
Net income (loss)	(362,705)	220,931	208,257	(340,224)	(273,741)
Less: Net income attributable to noncontrolling interests			(88,964)		(88,964)
Net income (loss) attributable to MGM Resorts International	\$ (362,705)	\$ 220,931	\$ 119,293	\$ (340,224)	\$ (362,705)
Net income (loss)	\$ (362,705)	\$ 220,931	\$ 208,257	\$ (340,224)	\$ (273,741)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment	5,068	5,068	10,001	(10,136)	10,001
Other comprehensive income (loss)	5,068	5,068	10,001	(10,136)	10,001
Comprehensive income (loss)	(357,637)	225,999	218,258	(350,360)	(263,740)
Less: Comprehensive income attributable to noncontrolling interests			(93,897)		(93,897)
Comprehensive income (loss) attributable to MGM Resorts International	\$ (357,637)	\$ 225,999	\$ 124,361	\$ (350,360)	\$ (357,637)

Table of Contents**CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION**

	Six Months Ended June 30, 2012				Consolidated
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries <i>(In thousands)</i>	Elimination	
Cash flows from operating activities					
Net cash provided by (used in) operating activities	\$ (428,840)	\$ 502,816	\$ 438,280	\$	\$ 512,256
Cash flows from investing activities					
Capital expenditures, net of construction payable		(190,895)	(25,335)		(216,230)
Dispositions of property and equipment		30	66		96
Investments in and advances to unconsolidated affiliates	(25,000)				(25,000)
Distributions from unconsolidated affiliates in excess of earnings		2,085			2,085
Investments in treasury securities- maturities longer than 90 days		(135,179)			(135,179)
Proceeds from treasury securities- maturities longer than 90 days		150,182			150,182
Other		(907)			(907)
Net cash used in investing activities	(25,000)	(174,684)	(25,269)		(224,953)
Cash flows from financing activities					
Net borrowings (repayments) under bank credit facilities -maturities of 90 days or less	(192,100)		450,000		257,900
Borrowings under bank credit facilities maturities - longer than 90 days			450,000		450,000
Repayments under bank credit facilities maturities - longer than 90 days	(1,834,128)		(900,000)		(2,734,128)
Issuance of senior notes	1,850,000				1,850,000
Debt issuance costs	(40,447)				(40,447)
Intercompany accounts	405,077	(345,477)	(59,600)		
Distributions to noncontrolling interest owners			(204,074)		(204,074)
Other	(698)	(629)	(38)		(1,365)
Net cash provided by (used in) financing activities	187,704	(346,106)	(263,712)		(422,114)
Effect of exchange rate on cash			819		819
Cash and cash equivalents					
Net increase (decrease) for the period	(266,136)	(17,974)	150,118		(133,992)
Balance, beginning of period	795,326	230,888	839,699		1,865,913
Balance, end of period	\$ 529,190	\$ 212,914	\$ 989,817	\$	\$ 1,731,921

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations ("MD&A") contains forward-looking statements that involve risks and uncertainties. Please see "Cautionary Statement Concerning Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions that may cause our actual results to differ materially from those discussed in the forward-looking statements. This discussion should be read in conjunction with our historical financial statements and related notes thereto and the other disclosures contained elsewhere in this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and notes for the fiscal year ended December 31, 2012, which were included in our Form 10-K, filed with the SEC on March 1, 2013. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods. MGM Resorts International together with its subsidiaries may be referred to as "we," "us" or "our." MGM China Holdings Limited together with its subsidiaries is referred to as "MGM China."

Executive Overview

Our primary business is the ownership and operation of casino resorts, which includes offering gaming, hotel, convention, dining, entertainment, retail and other resort amenities. We believe that we own and invest in several of the premier casino resorts in the world and have continually reinvested in our resorts to maintain our competitive advantage. Most of our revenue is cash-based, through customers wagering with cash or paying for non-gaming services with cash or credit cards. We rely heavily on the ability of our resorts to generate operating cash flow to repay debt financings, fund capital expenditures and provide excess cash flow for future development. We make significant investments in our resorts through exciting newly remodeled hotel rooms, restaurants, entertainment and nightlife offerings, as well as other new features and amenities.

Results of operations from our wholly owned domestic resorts in the second quarter of 2013 improved compared to the second quarter of 2012 as a result of increased casino and hotel revenues as economic conditions continue to improve. In the Las Vegas Strip market, as reported by the Las Vegas Convention and Visitors Authority, casino revenues increased 3% through June of 2013, and although visitation to Las Vegas was flat for the same period, the average room rate increased 3% compared to the same period in the prior year. We expect our resorts to benefit from the continuation of these trends through the remainder of 2013.

In Macau, results of operations also improved in the second quarter of 2013 compared to the prior year period led by strong gaming volumes. Despite continued concerns about economic uncertainty in China and the implementation of new smoking restrictions in Macau, we expect the Macau market to continue to grow. Gross casino revenues for the Macau market increased 16% in the second quarter of 2013, with increases in both high-end ("VIP") and main floor volumes.

Our results of operations are affected by decisions we make related to our capital allocation, our access to capital and our cost of capital. In December 2012, we completed a comprehensive refinancing transaction that allows us to maximize free cash flow and further enhance our deleveraging efforts. While we are focused on continuing to improve our financial position and lower our interest costs, we are also dedicated to capitalizing on development opportunities. In Macau, we plan to spend approximately \$2.6 billion, excluding land and capitalized interest, to develop a resort and casino featuring approximately 1,600 hotel rooms, 500 gaming tables, and 2,500 slots built on an approximately 17.8 acre site in Cotai, Macau. In addition, we have been actively pursuing development opportunities in markets such as Maryland and Massachusetts.

Wholly Owned Domestic Resorts

Over half of the net revenue from our wholly owned domestic resorts is derived from non-gaming operations including hotel, food and beverage, entertainment and other non-gaming amenities. We utilize our significant convention and meeting facilities to maximize hotel occupancy and customer volumes during off-peak times such as mid-week or during traditionally slower leisure travel periods, which also leads to better labor utilization. Our operating results are highly dependent on the volume of customers at our resorts, which in turn affects the price we can charge for our hotel rooms and other amenities. We market to different customer groups to manage our hotel occupancy, such as targeting large conventions to increase mid-week occupancy. As a result of our leveraged business model, our operating results are significantly affected by our ability to generate operating revenues. Also, we generate a significant portion of our revenue from our wholly owned domestic resorts in Las Vegas, Nevada, which exposes us to certain risks, such as increased competition from new or expanded Las Vegas resorts, and from the expansion of gaming in the United States generally.

Key performance indicators related to gaming and hotel revenue at our wholly owned domestic resorts are:

Gaming revenue indicators table games drop and slots handle (volume indicators); win or hold percentage, which is not fully controllable by us. Our normal table games hold percentage is in the range of 19% to 22% of table games drop and our normal slots hold percentage is in the range of 7.5% to 8.5% of slots handle; and

Hotel revenue indicators hotel occupancy (a volume indicator); average daily rate (ADR, a price indicator); and revenue per available room (REVPAR, a summary measure of hotel results, combining ADR and occupancy rate). Our calculation of ADR, which is the average price of occupied rooms per day, includes the impact of complimentary rooms. Complimentary room rates are determined based on an analysis of retail or cash rates for each customer segment and each type of room product to estimate complimentary rates which

Table of Contents

are consistent with retail rates. Complimentary rates are reviewed at least annually and on an interim basis if there are significant changes in market conditions. Because the mix of rooms provided on a complimentary basis, particularly to casino customers, includes a disproportionate suite component, the composite ADR including complimentary rooms is slightly higher than the ADR for cash rooms, reflecting the higher retail value of suites.

MGM China

We own 51% and have a controlling interest in MGM China Holdings Limited (MGM China), which owns MGM Grand Paradise, S.A. (MGM Grand Paradise), the Macau company that owns and operates the MGM Macau resort and casino and the related gaming subconcession and land concession, and is in the process of developing a gaming resort in Cotai. We believe our investment in MGM China plays an important role in extending our reach internationally and will foster future growth and profitability. Asia is the fastest growing gaming market in the world and Macau is the world's largest gaming destination in terms of revenue, and has continued to grow over the past few years despite the global economic downturn.

Our current MGM China operations consist of MGM Macau and the development of the new gaming resort in Cotai. Revenues at MGM Macau are generated primarily from gaming operations made up of two distinct market segments: main floor and high-end, or VIP. MGM Macau main floor operations consist of both table games and slot machines offered to the public, which usually consists of walk-in and day trip visitors. VIP players play mostly in dedicated VIP rooms or designated gaming areas. VIP customers can be further divided into customers sourced by in-house VIP programs and those sourced through gaming promoters. A significant portion of our VIP volume is generated through the use of gaming promoters, also known as junket operators. These operators introduce VIP gaming players to MGM Macau, assist these customers with travel arrangements and extend gaming credit to these players.

VIP gaming at MGM Macau is conducted by the use of special purpose nonnegotiable gaming chips called rolling chips. Gaming promoters purchase these rolling chips from MGM Macau and in turn they sell these chips to their players. The rolling chips allow MGM Macau to track the amount of wagering conducted by each gaming promoter's clients in order to determine VIP gaming play. In exchange for the gaming promoter's services, MGM Macau pays them either through rolling chip turnover-based commissions or through revenue-sharing arrangements. The estimated portion of the gaming promoter payments that represent amounts passed through to VIP customers is recorded net against casino revenue, and the estimated portion retained by the gaming promoter for its compensation is recorded to casino expense.

In addition to the key performance indicators used by our wholly owned domestic resorts, MGM Macau utilizes turnover, which is the sum of rolling chip wagers won by MGM Macau (rolling chips purchased, plus rolling chips exchanged, less rolling chips returned). Turnover provides a basis for measuring VIP casino win percentage. Normal win for VIP gaming operations at MGM Macau is in the range of 2.7% to 3.0% of turnover. MGM Macau's main floor normal table games hold percentage is in the range of 25% to 35% of table games drop. Comparability of table games drop and resulting hold percentage indicators between periods can be affected by the volume of casino chips purchased at the cage versus the gaming tables. Normal slots hold percentage at MGM Macau is in the range of 5% to 6% of slots handle.

Corporate and Other

Corporate and other includes our investments in unconsolidated affiliates, MGM Hospitality and certain management and other operations.

CityCenter. We own 50% of CityCenter. The other 50% of CityCenter is owned by Infinity World Development Corp (Infinity World), a wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity. CityCenter consists of Aria, a casino resort; Mandarin Oriental Las Vegas, a non-gaming boutique hotel; Crystals, a retail and entertainment district; and Vdara, a luxury condominium-hotel. In addition, CityCenter includes residential units in the Residences at Mandarin Oriental and Veer. We receive a management fee of 2% of revenues for the management of Aria and Vdara, and 5% of EBITDA (as defined in the agreements governing our management of Aria and Vdara). In addition, we receive an annual fee of \$3 million for the management of Crystals.

Other unconsolidated affiliates. We also own 50% interests in Grand Victoria and Silver Legacy. Grand Victoria is a riverboat casino in Elgin, Illinois; an affiliate of Hyatt Gaming owns the other 50% of Grand Victoria and also operates the resort. Silver Legacy is located in Reno, Nevada, adjacent to Circus Circus Reno, and the other 50% is owned by Eldorado LLC.

MGM Hospitality. MGM Hospitality seeks to leverage our management expertise and well-recognized brands through strategic partnerships and international expansion opportunities. MGM Hospitality has entered into management agreements for hotels in the Middle East, North Africa, India and, through its joint venture with Diaoyutai State Guesthouse, the People's Republic of China. MGM Hospitality opened its first resort, MGM Grand Sanya on Hainan Island, in the People's Republic of China in early 2012.

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Borgata. We have a 50% economic interest in Borgata Hotel Casino & Spa (Borgata) located on Renaissance Pointe in the Marina area of Atlantic City, New Jersey. Boyd Gaming Corporation owns the other 50% of Borgata and also operates the resort. Our interest is held in trust and was offered for sale pursuant to our amended settlement agreement with the New Jersey Division of Gaming Enforcement and approved by the New Jersey Casino Control Commission (CCC). The terms of the amended settlement agreement previously mandated the sale by March 2014. We had the right to direct the sale through March 2013 (the divestiture period), subject to approval of the CCC, and the

Table of Contents

trustee was responsible for selling the trust property during the following 12-month period (the terminal sale period). On February 13, 2013, the settlement agreement was further amended to allow us to re-apply to the CCC for licensure in New Jersey and to defer expiration of these periods pending the outcome of the licensure process. We have submitted our licensure request to the CCC and there can be no assurances that such request will be approved or with respect to the timing of the licensure process. If the CCC denies our licensure request, then the divesture period will immediately end, and the terminal sale period will immediately begin, which will result in our Borgata interest being disposed of by the trustee pursuant to the terms of the settlement agreement.

We consolidate the trust because we are the sole economic beneficiary and we account for our interest in Borgata under the cost method. As of June 30, 2013, the trust had \$118 million of cash and investments, of which \$105 million is held in U.S. treasury securities with maturities greater than three months but less than one year, and is recorded within Prepaid expenses and other. During the three and six months ended June 30, 2013, \$14 million and \$18 million, respectively, were withdrawn from the trust account for the payment of property taxes and interest on our senior credit facility, as authorized in accordance with the terms of the trust agreement. For the three and six months ended June 30, 2012, \$3 million and \$26 million, respectively, were withdrawn from the trust account.

Results of Operations

The following discussion is based on our consolidated financial statements for the three and six months ended June 30, 2013 and 2012.

Summary Financial Results

The following table summarizes our financial results:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Net revenues	\$ 2,481,265	\$ 2,323,765	\$ 4,833,413	\$ 4,611,355
Operating income	231,602	175,375	533,419	367,981
Net loss	(30,578)	(70,434)	(8,000)	(273,741)
Net loss attributable to MGM Resorts International	(92,958)	(145,452)	(86,412)	(362,705)

Consolidated net revenue for the three months ended June 30, 2013 increased 7% over the prior year quarter due primarily to an 11% increase in casino revenue. Consolidated net revenue for the six months ended June 30, 2013 increased 5% over the prior year period due primarily to an increase of 8% in casino revenues. See below for additional information related to segment revenues.

Consolidated operating income of \$232 million for the three months ended June 30, 2013 benefited from increased revenues at our wholly owned domestic resorts and MGM China. In addition, depreciation and amortization decreased \$17 million and \$42 million in the three and six months ended June 30, 2013, respectively, compared to the three and six months of 2012, due primarily to lower amortization expense at MGM China as a result of extending the useful life of the gaming subconcession upon effectiveness of our Cotai land concession agreement. Corporate expense increased 23% to \$52 million for the quarter ended June 30, 2013 and 17% to \$99 million for the six months ended June 30, 2013, due primarily to costs associated with development efforts in Massachusetts and Maryland.

Operating Results Detailed Segment Information

The following table presents detailed information regarding consolidated net revenue and Adjusted EBITDA by segment. Management uses Adjusted Property EBITDA as the primary profit measure for our reportable segments. See Non-GAAP Measures for additional information:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net revenues:	<i>(In thousands)</i>			

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Wholly owned domestic resorts	\$ 1,535,996	\$ 1,505,228	\$ 3,025,184	\$ 2,984,826
MGM China	835,149	709,296	1,582,706	1,411,386
Reportable segment net revenues	2,371,145	2,214,524	4,607,890	4,396,212
Corporate and other	110,120	109,241	225,523	215,143
	\$ 2,481,265	\$ 2,323,765	\$ 4,833,413	\$ 4,611,355
Adjusted EBITDA:				
Wholly owned domestic resorts	\$ 375,603	\$ 345,158	\$ 736,640	\$ 666,130
MGM China	204,815	186,560	385,270	351,081
Reportable segment Adjusted Property EBITDA	580,418	531,718	1,121,910	1,017,211
Corporate and other	(39,028)	(30,233)	(56,148)	(85,394)
	\$ 541,390	\$ 501,485	\$ 1,065,762	\$ 931,817

Table of Contents

Wholly owned domestic resorts. The following table presents detailed net revenue at our wholly owned domestic resorts:

	Three Months Ended June 30, Percentage Change			Six Months Ended June 30, Percentage Change		
	2013		2012	2013		2012
<i>(In thousands)</i>						
Casino revenue:						
Table games	\$ 184,546	4%	\$ 177,783	\$ 424,139	10%	\$ 384,245
Slots	418,528	3%	406,887	826,562	0%	824,242
Other	14,567	(4%)	15,251	30,974	(11%)	34,962
Casino revenue	617,641	3%	599,921	1,281,675	3%	1,243,449
Non-casino revenue:						
Rooms	423,285	5%	404,570	811,127	3%	784,043
Food and beverage	373,414	0%	373,169	712,448	(2%)	726,295
Entertainment, retail and other	283,564	(1%)	286,629	539,990	(2%)	550,824
Non-casino revenue	1,080,263	1%	1,064,368	2,063,565	0%	2,061,162
	1,697,904	2%	1,664,289	3,345,240	1%	3,304,611
Less: Promotional allowances	(161,908)	2%	(159,061)	(320,056)	0%	(319,785)
	\$ 1,535,996	2%	\$ 1,505,228	\$ 3,025,184	1%	\$ 2,984,826

Net revenue related to wholly owned domestic resorts increased 2% for the quarter ended June 30, 2013, primarily as a result of increased casino revenue and rooms revenue. Table games hold percentage was 18.1% for the current quarter compared to 17.7% in the prior year period. Overall table games volumes decreased 3% for the second quarter due primarily to lower baccarat drop which was offset by the increase in hold percentage. Slots revenue increased 3% compared to the prior year quarter. Net revenue related to wholly owned domestic resorts increased 1% for the six months ended June 30, 2013, primarily as a result of increased casino revenue. Table games hold percentage was 20.1% for the six months ended June 30, 2013, compared to 18.3% for the six months ended June 30, 2012, and total table games volume decreased 4% compared to the six month period ended June 30, 2012. Slots revenue was flat for the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

Rooms revenue for the quarter ended June 30, 2013 increased 5%, with a 3% increase in Las Vegas Strip REVPAR. Rooms revenue for the six months ended June 30, 2013 increased 3% with a 2% increase in Las Vegas Strip REVPAR. Occupancy at our Las Vegas Strip resorts was up slightly in the three months ended June 30, 2013 and relatively flat for the six months ended June 30, 2013.

The following table shows key hotel statistics for our Las Vegas Strip resorts.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Occupancy	95%	94%	92%	92%
Average Daily Rate (ADR)	\$ 134	\$ 131	\$ 133	\$ 131
Revenue per Available Room (REVPAR)	127	124	123	121

Food and beverage revenue for the three months ended June 30, 2013 was flat compared to the same period in the prior year. The decrease from closure of certain restaurants for remodeling was offset by an increase in convention and banquet revenue. Food and beverage revenue for the six months ended June 30, 2013 decreased 2% compared to the prior year due primarily to the closure of several restaurants for remodeling. Entertainment, retail and other revenue decreased for the three and six months ended June 30, 2013 due primarily to lower revenue at our Cirque du Soleil production shows.

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Adjusted Property EBITDA at our wholly owned domestic resorts increased 9% and 11% for the three and six months ended June 30, 2013, respectively, primarily as a result of an increase in casino margin driven by higher table games revenue, as well as an increase in rooms revenue, as discussed above.

MGM China. For the quarter ended June 30, 2013, net revenue for MGM China increased 18% driven by increases in VIP table games turnover and main floor table games volume of 34% and 11%, respectively. VIP table games hold percentage decreased from 3.3% in the quarter ended June 30, 2012 to 2.9% in the quarter ended June 30, 2013 and main floor table games hold percentage increased from 30.4% to 35.3% in the same period comparison. Slots revenue increased due to an 11% increase in volume. MGM China's Adjusted EBITDA for the quarter ended June 30, 2013 was \$205 million. Excluding branding fees of \$15 million and \$12 million for the quarter ended June 30, 2013 and 2012, respectively, Adjusted EBITDA increased 10%.

Table of Contents

Net revenue for the six months ended June 30, 2013 increased 12% compared to the same period in the prior year, due to increases in both VIP table games turnover and main floor table games volumes of 24% and 9%, respectively. VIP table games hold percentage was 2.8% in the current six month period compared to 3.2% in the prior year, while main floor table games hold increased from 28.9% in the prior year period to 33.8% in the current year. Slots volume for the six months ended June 30, 2013 increased 19% compared to prior year. MGM China's Adjusted EBITDA for the six months ended June 30, 2013 was \$385 million, which included branding fees of \$28 million. Excluding branding fees, Adjusted EBITDA increased 10% compared to the same period in the prior year.

Corporate and other. Corporate and other revenue includes revenues from MGM Hospitality and management operations and reimbursed revenue related primarily to our CityCenter management agreement. Corporate and other Adjusted EBITDA loss for the second quarter of 2013 increased \$9 million from the comparable prior year period due primarily to increased corporate expense related to development initiatives in Massachusetts and Maryland. Adjusted EBITDA loss for the six month period ended June 30, 2013 decreased \$29 million due mainly to an increase in our share of operating income from CityCenter and a reduction in stock compensation expense, partially offset by an increase in corporate expense as discussed above.

Operating Results Details of Certain Charges

Property transactions, net consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Grand Victoria investment impairment charge	\$ 36,607	\$ 85,009	\$ 36,607	\$ 85,009
Corporate buildings impairment charge	44,510		44,510	
Other property transactions, net	7,014	5,458	15,505	6,375
	\$ 88,131	\$ 90,467	\$ 96,622	\$ 91,384

At June 30, 2013, we reviewed the carrying value of our Grand Victoria investment for impairment due to a higher than anticipated decline in operating results and loss of market share as a result of the opening of a new river boat casino in the Illinois market, as well as a decrease in forecasted cash flows for 2013 through 2017 compared to the prior forecast. We used a blended discounted cash flow analysis and guideline public company method to determine the estimated fair value from a market participant's viewpoint. Key assumptions included in the discounted cash flow analysis were estimates of future cash flows including outflows for capital expenditures, a long-term growth rate of 2% and a discount rate of 11%. Key assumptions in the guideline public company method included business enterprise value multiples selected based on the range of multiples in the Company's peer group. As a result of the analysis, we determined that it was necessary to record an other-than-temporary impairment charge of \$37 million at June 30, 2013, based on an estimated fair value of \$170 million for our 50% interest. We intend to, and believe we will be able to, retain our investment in Grand Victoria; however, due to the extent of the shortfall and our assessment of the uncertainty of fully recovering our investment, we have determined that the impairment was other-than-temporary. At June 30, 2012, we recorded an impairment charge of \$85 million on our investment in Grand Victoria based on the then estimated fair value of \$205 million for our 50% interest.

During the three months ended June 30, 2013 we recorded an impairment charge of \$45 million related to corporate buildings which are expected to be removed from service. In June 2013, we executed agreements formalizing the details of a joint venture to build a new Las Vegas arena project, of which we will own 50%, that will be located on the land underlying these buildings. Other property transactions, net for the three and six months ended June 30, 2013 and 2012 include miscellaneous asset disposals and demolition costs.

Operating Results Income (loss) from Unconsolidated Affiliates

The following table summarizes information related to our income (loss) from unconsolidated affiliates:

	Three Months Ended June 30,	Six Months Ended June 30,
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	2013	2012	2013	2012
	<i>(In thousands)</i>			
CityCenter	\$ 861	\$ 642	\$ 12,556	\$ (17,931)
Other	5,821	5,344	10,470	10,608
	\$ 6,682	\$ 5,986	\$ 23,026	\$ (7,323)

Table of Contents

Our share of CityCenter's operating income, including certain basis difference adjustments, increased slightly for the quarter ended June 30, 2013 compared to the prior year quarter. CityCenter's net revenues increased 15% due primarily to increased residential revenues. Casino revenue decreased 16% due to lower table games hold percentage, which was 20.8% in the current year quarter and 24.0% in the prior year quarter. In addition, CityCenter's second quarter results were also negatively affected by \$10 million of property transactions.

For the six months ended June 30, 2013, our share of operating income was \$13 million compared to an operating loss of \$18 million in the prior year period. CityCenter's net revenue for the six months ended June 30, 2013 increased 23% compared to the six months ended June 30, 2012, related to an increase in casino revenue as well as increased residential revenues. Aria's casino revenue benefited from an increase in table games volume and a table games hold percentage of 25.1% in 2013 compared to 20.2% in the prior year.

Non-operating Results

Interest expense. Interest expense decreased \$62 million and \$121 million for the three and six months ended June 30, 2013, respectively, compared to 2012, primarily as a result of the December 2012 refinancing transactions. At MGM China, interest expense was \$7 million and \$16 million, respectively, for the three and six months of 2013 compared to \$6 million and \$11 million in the prior year three and six month periods. We had minimal capitalized interest in the three and six months of 2013 and 2012.

Non-operating items from unconsolidated affiliates. Non-operating expense from unconsolidated affiliates increased to \$39 million for the quarter ended June 30, 2013 as a result of statutory interest recorded by CityCenter related to estimated amounts owed in connection with the CityCenter construction litigation. The prior year included \$4 million related to our share of CityCenter's loss on refinancing of long-term debt.

Other, net. During the second quarter of 2013, we recorded a loss on early retirement of debt of \$4 million related to the re-pricing of the term loan B credit facility. In connection with the amendment of our senior credit facility in the first quarter of 2012 and subsequent repayment of the non-extending loans, we recorded a loss on early retirement of debt of \$59 million in the first quarter of 2012 related to previously recorded discounts and certain debt issuance costs.

Income taxes. We remeasured the net deferred tax liability of MGM Grand Paradise due to the extension of the amortization period of the Macau gaming concession in connection with the effectiveness of the Cotai land concession, resulting in an increase in the net deferred tax liability and a corresponding increase in provision for income taxes of \$65 million in the first quarter of 2013. In addition, we settled all issues under appeal in connection with the IRS audits of our consolidated federal income tax returns and our cost method investee returns for the 2003 and 2004 tax years, resulting in a reduction in provision for income taxes of \$38 million, including the impact of the settlement on the valuation allowance, in the first quarter of 2013. Finally, we recorded a valuation allowance for U.S. federal deferred tax assets, resulting in an increase in provision for income taxes of \$17 million and \$26 million for the three and six months ended June 30, 2013, respectively. See Note 2 in the accompanying financial statements for further discussion of the valuation allowance and complementary tax.

Non-GAAP Measures

Adjusted EBITDA is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses and property transactions, net. Adjusted Property EBITDA is Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which is not allocated to each property. MGM China recognizes stock compensation expense related to its stock compensation plan which is included in the calculation of Adjusted EBITDA for MGM China. Adjusted EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because management believes these measures are 1) widely used measures of operating performance in the gaming and hospitality industry, and 2) a principal basis for valuation of gaming and hospitality companies.

We believe that while items excluded from Adjusted EBITDA and Adjusted Property EBITDA may be recurring in nature and should not be disregarded in evaluation of our earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods being presented. Also, we believe excluded items may not relate specifically to current operating trends or be indicative of future results. For example, preopening and start-up expenses will be significantly different in periods when we are developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within our resorts, but also includes gains or losses on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period. In addition, capital allocation, tax planning, financing and stock compensation awards are all managed at the corporate level. Therefore, we use Adjusted Property EBITDA as the primary measure of wholly owned domestic resorts operating performance.

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Adjusted EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income, as an indicator of our performance; or as an alternative to cash flows from operating activities, as a measure of liquidity; or as any other measure determined in accordance with generally accepted accounting principles. We have significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments,

Table of Contents

which are not reflected in Adjusted EBITDA. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDA information may calculate Adjusted EBITDA in a different manner.

The following table presents a reconciliation of Adjusted EBITDA to net loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands)</i>			
Adjusted EBITDA	\$ 541,390	\$ 501,485	\$ 1,065,762	\$ 931,817
Preopening and start-up expenses	(3,506)		(5,652)	
Property transactions, net	(88,131)	(90,467)	(96,622)	(91,384)
Depreciation and amortization	(218,151)	(235,643)	(430,069)	(472,452)
Operating income	231,602	175,375	533,419	367,981
Non-operating expense				
Interest expense, net of amounts capitalized	(214,500)	(276,323)	(439,947)	(560,665)
Other, net	(43,815)	(20,790)	(67,176)	(105,232)
	(258,315)	(297,113)	(507,123)	(665,897)
Income (loss) before income taxes	(26,713)	(121,738)	26,296	(297,916)
Benefit (provision) for income taxes	(3,865)	51,304	(34,296)	24,175
Net loss	(30,578)	(70,434)	(8,000)	(273,741)
Less: Net income attributable to noncontrolling interests	(62,380)	(75,018)	(78,412)	(88,964)
Net loss attributable to MGM Resorts International	\$ (92,958)	\$ (145,452)	\$ (86,412)	\$ (362,705)

Table of Contents

The following tables present reconciliations of operating income (loss) to Adjusted Property EBITDA and Adjusted EBITDA:

	Three Months Ended June 30, 2013				
	Operating Income (Loss)	Preopening and Start-up Expenses	Property Transactions, Net <i>(In thousands)</i>	Depreciation and Amortization	Adjusted EBITDA
Bellagio	\$ 71,386	\$	\$ 337	\$ 27,799	\$ 99,522
MGM Grand Las Vegas	29,400		104	20,131	49,635
Mandalay Bay	23,414	1,078	1,854	23,012	49,358
The Mirage	11,714		141	12,673	24,528
Luxor	9,097	112	(252)	9,331	18,288
New York-New York	17,958		499	5,215	23,672
Excalibur	16,382		13	3,376	19,771
Monte Carlo	12,183	58	2,964	4,678	19,883
Circus Circus Las Vegas	801		10	4,485	5,296
MGM Grand Detroit	32,709			5,953	38,662
Beau Rivage	8,732		7	7,727	16,466
Gold Strike Tunica	3,966		1,187	3,365	8,518
Other resort operations	1,441			563	2,004
Wholly owned domestic resorts	239,183	1,248	6,864	128,308	375,603
MGM China	126,134	2,258	150	76,273	204,815
CityCenter (50%)	861				861
Other unconsolidated resorts	5,821				5,821
Management and other operations	6,111		(4)	2,953	9,060
	378,110	3,506	7,010	207,534	596,160
Stock compensation	(6,246)				(6,246)
Corporate	(140,262)		81,121	10,617	(48,524)
	\$ 231,602	\$ 3,506	\$ 88,131	\$ 218,151	\$ 541,390

	Three Months Ended June 30, 2012				
	Operating Income (Loss)	Preopening and Start-up Expenses	Property Transactions, Net <i>(In thousands)</i>	Depreciation and Amortization	Adjusted EBITDA
Bellagio	\$ 58,322	\$	\$ 354	\$ 24,676	\$ 83,352
MGM Grand Las Vegas	8,072		803	20,157	29,032
Mandalay Bay	26,963		545	19,891	47,399
The Mirage	12,240		57	12,770	25,067
Luxor	8,406		185	8,754	17,345
New York-New York	18,002		243	5,417	23,662
Excalibur	14,769		3	4,353	19,125
Monte Carlo	10,930		553	4,925	16,408
Circus Circus Las Vegas	3,036		77	5,035	8,148
MGM Grand Detroit	32,431		884	10,022	43,337
Beau Rivage	11,727		8	7,666	19,401
Gold Strike Tunica	7,713		2	3,326	11,041
Other resort operations	1,184		6	651	1,841

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Wholly owned domestic resorts	213,795	3,720	127,643	345,158
MGM China	90,215	1,464	94,881	186,560
CityCenter (50%)	642			642
Other unconsolidated resorts	5,344			5,344
Management and other operations	6,855		3,249	10,104
	316,851	5,184	225,773	547,808
Stock compensation	(8,769)			(8,769)
Corporate	(132,707)	85,283	9,870	(37,554)
	\$ 175,375	\$ 90,467	\$ 235,643	\$ 501,485

Table of Contents

	Six Months Ended June 30, 2013				
	Operating Income (Loss)	Preopening and Start-up Expenses	Property Transactions, Net <i>(In thousands)</i>	Depreciation and Amortization	Adjusted EBITDA
Bellagio	\$ 137,778	\$	\$ 341	\$ 50,982	\$ 189,101
MGM Grand Las Vegas	70,372		770	40,498	111,640
Mandalay Bay	44,236	474	2,436	41,626	88,772
The Mirage	25,264		4,295	25,130	54,689
Luxor	12,872	112	2,927	17,951	33,862
New York-New York	35,695		530	10,847	47,072
Excalibur	27,544		13	7,323	34,880
Monte Carlo	25,041	58	2,952	9,318	37,369
Circus Circus Las Vegas	412		10	9,431	9,853
MGM Grand Detroit	67,080			11,235	78,315
Beau Rivage	15,159		(291)	15,471	30,339
Gold Strike Tunica	10,786		1,174	6,545	18,505
Other resort operations	1,113		(1)	1,131	2,243
Wholly owned domestic resorts	473,352	644	15,156	247,488	736,640
MGM China	225,251	4,632	345	155,042	385,270
CityCenter (50%)	12,180	376			12,556
Other unconsolidated resorts	10,470				10,470
Management and other operations	18,894			5,927	24,821
	740,147	5,652	15,501	408,457	1,169,757
Stock compensation	(13,189)				(13,189)
Corporate	(193,539)		81,121	21,612	(90,806)
	\$ 533,419	\$ 5,652	\$ 96,622	\$ 430,069	\$ 1,065,762

	Six Months Ended June 30, 2012				
	Operating Income (Loss)	Preopening and Start-up Expenses	Property Transactions, Net <i>(In thousands)</i>	Depreciation and Amortization	Adjusted EBITDA
Bellagio	\$ 105,420	\$	\$ 354	\$ 48,022	\$ 153,796
MGM Grand Las Vegas	26,421		1,130	38,806	66,357
Mandalay Bay	45,566		545	40,102	86,213
The Mirage	26,742		70	25,674	52,486
Luxor	17,615		185	17,909	35,709
New York-New York	36,699		243	11,033	47,975
Excalibur	24,391		3	8,910	33,304
Monte Carlo	20,903		558	9,943	31,404
Circus Circus Las Vegas	3,538		77	9,674	13,289
MGM Grand Detroit	64,769		884	19,923	85,576
Beau Rivage	21,123		8	15,320	36,451
Gold Strike Tunica	15,933		2	6,686	22,621
Other resort operations	(218)		(14)	1,181	949
Wholly owned domestic resorts	408,902		4,045	253,183	666,130
MGM China	158,342		1,464	191,275	351,081
CityCenter (50%)	(17,931)				(17,931)

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Other unconsolidated resorts	10,608			10,608
Management and other operations	7,266		7,537	14,803
	567,187	5,509	451,995	1,024,691
Stock compensation	(18,101)			(18,101)
Corporate	(181,105)	85,875	20,457	(74,773)
	\$ 367,981	\$ 91,384	\$ 472,452	\$ 931,817

Table of Contents

Liquidity and Capital Resources

Cash Flows

Our cash balance at June 30, 2013 was \$1.3 billion, which included \$840 million at MGM China.

Operating activities. Trends in our operating cash flows tend to follow trends in operating income, excluding non-cash charges, but can be affected by changes in working capital, the timing of significant tax payments or refunds, and by distributions from unconsolidated affiliates. Cash provided by operating activities was \$730 million for the six months ended June 30, 2013, compared to cash provided by operating activities of \$512 million in the prior year period. Operating cash flows related to MGM China were \$528 million in the current year period compared to \$364 million in the prior year period and were positively affected by changes in working capital primarily related to short-term gaming liabilities.

Investing activities. We had capital expenditures of \$243 million for the six months ended June 30, 2013, of which \$125 million related to MGM China, excluding development fees eliminated in consolidation. Capital expenditures at MGM China primarily related to the construction of MGM Cotai, including a \$47 million construction deposit. Capital expenditures at our wholly owned domestic resorts included various room remodels, restaurant remodels, and entertainment venue remodels. Most of the costs capitalized related to furniture and fixtures, materials and external labor costs.

We had capital expenditures of \$216 million in the six months ended June 30, 2012, including \$21 million at MGM China. Our capital expenditures related mainly to \$62 million of expenditures related to the room remodel at MGM Grand, \$43 million of aircraft acquisition costs and capital expenditures at various resorts including restaurant remodels, entertainment venue remodels and theater renovations. Most of the costs capitalized related to furniture and fixtures, materials and external labor costs.

In the six months ended June 30, 2013, we made investments and advances of \$12 million to CityCenter pursuant to the completion guarantee, compared to \$25 million in the six months ended June 30, 2012.

During the six months ended June 30, 2013, our New Jersey trust received proceeds of \$135 million from treasury securities with maturities greater than 90 days and reinvested \$120 million in treasury securities with maturities greater than 90 days. In the six months ended June 30, 2012, our New Jersey trust received proceeds of \$150 million from treasury securities with maturities greater than 90 days and reinvested \$135 million in treasury securities with maturities greater than 90 days.

Financing activities. During the six months ended June 30, 2013, we repaid net debt of \$476 million, which included the repayment of our \$462 million 6.75% senior notes at maturity on April 1, 2013. We incurred \$17 million of debt issuance costs related to the re-pricing of the term loan B facility in May 2013. During the first half of 2012, we issued \$850 million of 8.625% senior notes due 2019 for net proceeds of \$836 million, issued \$1.0 billion of 7.75% senior notes due 2022 for net proceeds of \$986 million and repaid \$2.0 billion under our senior credit facility.

MGM China paid a \$500 million dividend in March 2013, of which \$255 million remained within the consolidated entity and \$245 million was distributed to noncontrolling interests. MGM China paid a \$400 million dividend in March 2012, of which \$204 million remained within the consolidated entity and \$196 million was distributed to noncontrolling interests.

Other Factors Affecting Liquidity

Anticipated uses of cash. We have significant outstanding debt and contractual obligations in addition to planned capital expenditures. We expect to meet our debt obligations and planned capital expenditure requirements with future anticipated operating cash flows, cash and cash equivalents, and available borrowings under our senior credit facility. Excluding MGM China, at June 30, 2013 we had \$687 million of principal amount of long-term debt maturing, and an estimated \$806 million of cash interest payments based on current outstanding debt and applicable interest rates, within the next twelve months. At June 30, 2013, we had \$13.1 billion of indebtedness, including \$2.8 billion of borrowings outstanding under our \$4.0 billion senior credit facility and \$553 million outstanding under the \$2.0 billion MGM China credit facility.

We expect to spend \$350 million in the twelve months ending December 31, 2013 related to capital expenditures at our wholly owned domestic resorts, which includes expenditures for a remodel of the front façades of New York-New York and Monte Carlo, room remodels, theater renovations, information technology and slot machine purchases. Our capital expenditures fluctuate depending on our decisions with respect to strategic capital investments in new or existing resorts and the timing of capital investments to maintain the quality of our resorts, the amounts of which can vary depending on timing of larger remodel projects related to our public spaces and hotel rooms. Such costs could increase significantly in future periods depending on the progress of our development efforts and the structure of our ownership interests in such

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developments. In accordance with our senior credit facility covenants, we and our restricted subsidiaries are limited to annual capital expenditures (as defined in the agreement governing our senior credit facility) of \$500 million in 2013.

Table of Contents

In Macau, MGM China expects to spend approximately \$350 million during 2013 on capital improvements, of which approximately \$290 million relates to the Cotai project, including a construction deposit made in the second quarter of 2013. The budgeted capital improvement amounts exclude land and capitalized interest.

Cotai land concession. On October 18, 2012, MGM Grand Paradise formally accepted the terms and conditions of a land concession contract from the government for its planned development on Cotai. The land concession contract became effective on January 9, 2013 when the Macau government published it in the Official Gazette of Macau, and has an initial term of 25 years. The land premium payable to the Macau government for the land concession contract is \$161 million and is composed of a down payment and eight additional semi-annual payments. In October 2012, MGM China paid \$56 million as the initial down payment of the contract premium. In July 2013, MGM China paid the first semi-annual payment of \$15 million under the land concession contract. Including interest on the seven remaining semi-annual payments, MGM China has \$103 million remaining payable for the land concession contract. In addition, MGM Grand Paradise is required to pay the Macau government \$269,000 per year in rent during the course of development of the land and \$681,000 per year in rent once the development is completed. The annual rent is subject to review by the Macau government every five years. MGM China has made significant progress in getting its construction team in place as well as finalizing its designs. Under the terms of the land concession contract, MGM Grand Paradise is required to complete the development of the land within 60 months from the date of publication.

MGM China dividend policy. In February 2013, MGM China adopted a distribution policy pursuant to which it may make semi-annual distributions in an aggregate amount per year not to exceed 35% of its anticipated consolidated annual profits. In accordance with the policy, MGM China may also declare special distributions from time to time. The determination to make distributions will be made at the discretion of the MGM China board of directors and will be based upon MGM China's operations and earnings, development pipeline, cash flows, financial condition, capital and other reserve requirements and surplus, general financial conditions, contractual restrictions and any other conditions or factors which the board of directors deems relevant. As a result, there can be no assurance that any distributions will be declared in the future or the amount or timing of such distributions, if any.

MGM China dividend. On August 6, 2013, MGM China's board of directors announced a dividend of \$113 million, which will be paid to shareholders of record as of August 26, 2013 and distributed on or about September 2, 2013. We will receive \$57 million, representing our 51% share of the dividend.

CityCenter completion guarantee. In January 2011, we entered into an amended completion and cost overrun guarantee, which is collateralized by substantially all of the assets of Circus Circus Las Vegas, as well as certain undeveloped land adjacent to that property. The terms of the amended completion guarantee provide CityCenter the ability to utilize up to \$124 million of subsequent net residential proceeds to fund construction costs, or to reimburse us for construction costs previously expended. As of June 30, 2013, CityCenter had received net residential proceeds in excess of the \$124 million and is holding \$112 million in a separate bank account representing the remaining condo proceeds available to fund completion guarantee obligations or be reimbursed to us. In accordance with CityCenter's credit agreement and bond indentures such amounts can only be used to fund construction lien obligations or reimbursed to us once the Perini litigation is settled.

As of June 30, 2013, we had funded \$704 million under the completion guarantee and have accrued a liability of \$59 million which includes estimated litigation costs related to the resolution of disputes with contractors concerning the final construction costs and estimated amounts to be paid to contractors through the legal process related to the Perini litigation. We believe it is reasonably possible we could be liable for an additional \$20 million in excess of the amount we have accrued. Our estimated obligation has been offset by \$112 million of condominium proceeds received by CityCenter, which are available to fund construction lien claims upon the resolution of the Perini litigation. Also, our accrual reflects certain estimated offsets to the amounts claimed by the contractors. Moreover, we have not accrued for any contingent payments to CityCenter related to the Harmon Hotel & Spa component, which will not be completed using the building as it now stands. See Note 5 in the accompanying financial statements for discussion of the status of the Harmon.

We do not believe we would be responsible for funding under the completion guarantee any additional remediation efforts that might be required with respect to the Harmon; however, our view is based on a number of developing factors, including with respect to on-going litigation with CityCenter's contractors, actions by local officials and other developments related to the CityCenter venture, all of which are subject to change. CityCenter's revolving credit facility provides that certain demolition or repair expenses may be funded only from (i) member contributions designated for demolition of the Harmon, (ii) the proceeds of certain specified extraordinary receipts (which include any proceeds from the Perini litigation) or (iii) cash or cash equivalents in an amount not to exceed \$30 million in the aggregate. Based on current estimates, which are subject to change, we believe the demolition of the Harmon would cost approximately \$30 million.

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our Form 10-K for the fiscal year ended December 31, 2012. There have been no significant changes in our critical accounting policies and estimates since year end.

Table of Contents

Impairment of long-lived assets. At June 30, 2013, we did not identify circumstances that existed that would indicate the carrying value of our operating resorts may not be recoverable; therefore, we did not review any of our operating resorts for impairment as of June 30, 2013. Historically, the undiscounted cash flows of our significant operating asset groups have exceeded their carrying values by a substantial margin. However, during the second quarter of 2013, we recorded an impairment charge related to our corporate building assets. See Note 9 for additional information. In addition, we recorded an impairment charge related to our investment in the Grand Victoria joint venture as discussed in Note 3.

Market Risk

In addition to the inherent risks associated with our normal operations, we are also exposed to additional market risks. Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Our primary exposure to market risk is interest rate risk associated with our variable rate long-term debt. We attempt to limit our exposure to interest rate risk by managing the mix of our long-term fixed-rate borrowings and short-term borrowings under our bank credit facilities. A change in interest rates generally does not have an impact upon our future earnings and cash flow for fixed-rate debt instruments. As fixed-rate debt matures, however, and if additional debt is acquired to fund the debt repayment, future earnings and cash flow may be affected by changes in interest rates. This effect would be realized in the periods subsequent to the periods when the debt matures. 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 June 30, 2013, variable rate borrowings represented 25% of our total borrowings. Assuming a 100 basis-point increase in LIBOR (in the case of the term B facility, over the 1% floor specified in our senior credit facility), our annual interest cost would change by \$28 million based on gross amounts outstanding at June 30, 2013. Assuming a 100 basis-point increase in HIBOR for the MGM Grand Paradise credit facility, our annual interest cost would change by \$6 million based on amounts outstanding at June 30, 2013. The following table provides additional information about our gross long-term debt subject to changes in interest rates:

	2013	2014	2015	Debt maturing in		Thereafter	Total	Fair Value June 30, 2013
				2016	2017			
				<i>(In millions)</i>				
Fixed-rate	\$ 150	\$ 509	\$ 2,325	\$ 1,476	\$ 743	\$ 4,579	\$ 9,782	\$ 10,595
Average interest rate	7.6%	5.9%	5.1%	8.2%	7.6%	7.8%	7.1%	
Variable rate	\$ 14	\$ 28	\$ 28	\$ 166	\$ 1,440	\$ 1,663	\$ 3,339	\$ 3,316
Average interest rate	3.3%	3.3%	3.3%	2.2%	2.7%	3.5%	3.1%	

In addition to the risk associated with our variable interest rate debt, we are also exposed to risks related to changes in foreign currency exchange rates, mainly related to MGM China and to our operations at MGM Macau. While recent fluctuations in exchange rates have been minimal, potential changes in policy by governments or fluctuations in the economies of the U.S., Macau or Hong Kong could cause variability in these exchange rates.

Cautionary Statement Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as anticipates, intends, plans, seeks, believes, estimates, may and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to generate significant cash flow, amounts we will invest in capital expenditures, amounts we will pay under the CityCenter completion guarantee and the development of strategic resorts and other projects. The foregoing is not a complete list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

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our substantial indebtedness and significant financial commitments could adversely affect our development options and financial results and impact our ability to satisfy our obligations;

current and future economic and credit market conditions could adversely affect our ability to service or refinance our indebtedness and to make planned expenditures and investments;

restrictions and limitations in the agreements governing our senior credit facility and other senior indebtedness could significantly affect our ability to operate our business, as well as significantly affect our liquidity;

significant competition we face with respect to destination travel locations generally and with respect to our peers in the industries in which we compete;

Table of Contents

the fact that our businesses are subject to extensive regulation and the cost of compliance or failure to comply with such regulations could adversely affect our business;

the impact on our business of economic and market conditions in the markets in which we operate and in the locations in which our customers reside;

restrictions on our ability to have any interest or involvement in gaming business in China, Macau, Hong Kong and Taiwan, other than through MGM China;

the ability of the Macau government to terminate MGM Grand Paradise's gaming subconcession under certain circumstances without compensating MGM Grand Paradise or refuse to grant MGM Grand Paradise an extension of the subconcession, which is scheduled to expire on March 31, 2020;

our ability to build and open our development in Cotai by January 2018;

the dependence of MGM Macau upon gaming junket operators for a significant portion of gaming revenues in Macau;

extreme weather conditions or climate change may cause property damage or interrupt business;

the concentration of our major gaming resorts on the Las Vegas Strip;

the fact that we extend credit to a large portion of our customers and we may not be able to collect gaming receivables;

the potential occurrence of impairments to goodwill, indefinite-lived intangible assets or long-lived assets which could negatively affect future profits;

the susceptibility of leisure and business travel, especially travel by air, to global geopolitical events, such as terrorist attacks or acts of war or hostility;

the fact that investing through partnerships or joint ventures including CityCenter decreases our ability to manage risk;

the fact that future construction or development projects will be susceptible to substantial development and construction risks;

the fact that our insurance coverage may not be adequate to cover all possible losses that our properties could suffer, our insurance costs may increase and we may not be able to obtain similar insurance coverage in the future;

the fact that CityCenter has decided to abate the potential for structural collapse of the Harmon in the event of a code-level earthquake by demolishing the building, which exposes us to risks prior to or in connection with the demolition process;

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the fact that a failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business;

the fact that Tracinda Corporation owns a significant amount of our common stock and may have interests that differ from the interests of other holders of our stock;

the risks associated with doing business outside of the United States and the impact of any potential violations of the Foreign Corrupt Practices Act or other similar anti-corruption laws;

risks related to pending claims that have been, or future claims that may be brought against us;

the fact that a significant portion of our labor force is covered by collective bargaining agreements;

the sensitivity of our business to energy prices and a rise in energy prices could harm our operating results;

the potential that failure to maintain the integrity of internal customer information could result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or other restrictions on our use or transfer of data;

increases in gaming taxes and fees in the jurisdictions in which we operate;

the potential for conflicts of interest to arise because certain of our directors and officers are also directors of MGM China, which is now a publicly traded company listed on the Hong Kong Stock Exchange; and

the risks associated with doing business outside of the United States.

Any forward-looking statement made by us in this Form 10-Q speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. If we update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We incorporate by reference the information appearing under **Market Risk** in Part I, Item 2 of this Form 10-Q.

Table of Contents

Item 4. Controls and Procedures

Our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) have concluded that our disclosure controls and procedures were effective as of June 30, 2013 to provide reasonable assurance that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and regulations and to provide that such information is accumulated and communicated to management to allow timely decisions regarding required disclosures. This conclusion is based on an evaluation as required by Rule 13a-15(e) under the Exchange Act conducted under the supervision and participation of the principal executive officer and principal financial officer along with company management.

During the quarter ended June 30, 2013, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

For a complete description of the facts and circumstances surrounding material litigation we are a party to, see our Annual Report on Form 10-K for the year ended December 31, 2012. There have been no significant developments in any of the cases disclosed in our Form 10-K in the six months ended June 30, 2013. Please see Note 5 for further discussion of our CityCenter construction litigation.

Item 1A. Risk Factors

A description of certain factors that may affect our future results and risk factors is set forth in our Annual Report on Form 10-K for the year ended December 31, 2012. There have been no material changes to those factors for the six months ended June 30, 2013, except as further discussed below.

A significant portion of our labor force is covered by collective bargaining agreements. Work stoppages and other labor problems could negatively affect our business and results of operations. Approximately 30,000 of our employees are covered by collective bargaining agreements. The collective bargaining agreements covering most of our Las Vegas union employees expired on May 31, 2013. The collective bargaining agreements have been extended indefinitely subject to the right of termination by either party. Negotiations for the new collective bargaining agreement are ongoing. A prolonged dispute with the covered employees or any labor unrest, strikes or other business interruptions in connection with labor negotiations or otherwise could have an adverse impact on our operations. In addition, wage and or benefit increases resulting from new labor agreements may be significant and could also have an adverse impact on our results of operations. In addition, to the extent that our non-union employees join unions, we would have greater exposure to risks associated with labor problems.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our share repurchases are only conducted under repurchase programs approved by our board of directors and publicly announced. We did not repurchase shares of our common stock during the quarter ended June 30, 2013. The maximum number of shares available for repurchase under our May 2008 repurchase program was 20 million as of June 30, 2013.

Item 6. Exhibits

- 10.1 Second Amendment to Credit Agreement, dated May 14, 2013, among the Company, MGM Grand Detroit, LLC, the guarantors named therein and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 16, 2013).

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- 31.1 Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
- 31.2 Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
- 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
- 32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
- 101 The following information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 formatted in eXtensible Business Reporting Language: (i) Consolidated Balance Sheets at June 30, 2013 (unaudited) and December 31, 2012 (audited); (ii) Unaudited Consolidated Statements of Operations for the three and six months ended June 30, 2013 and 2012; (iii) Unaudited Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2013 and 2012; (iv) Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2013 and 2012; and (v) Condensed Notes to the Unaudited Consolidated Financial Statements.

Table of Contents

SIGNATURES

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

MGM Resorts International

Date: August 7, 2013

By: /s/ JAMES J. MURREN
James J. Murren
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2013

/s/ DANIEL J. D. ARRIGO
Daniel J. D. Arrigo
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)