

MGM Resorts International

S&P Recommendation **HOLD** ★★☆☆☆

Price
\$11.13 (as of Jan 6, 2012)

12-Mo. Target Price
\$12.00

Investment Style
Mid-Cap Growth

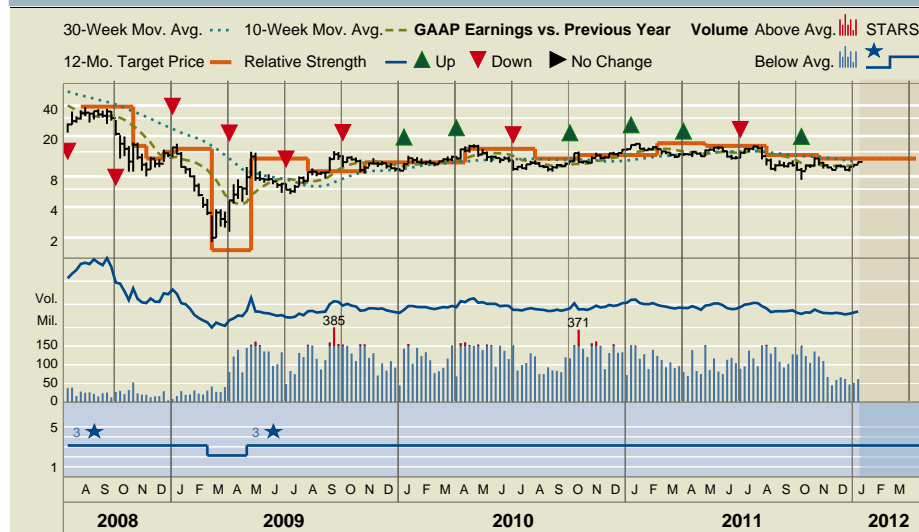
GICS Sector Consumer Discretionary
Sub-Industry Casinos & Gaming

Summary This gaming company has a large presence in Las Vegas, but also has operations in Nevada, as well as Detroit and Mississippi.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$16.94– 7.40	S&P Oper. EPS 2011 E	-0.56	Market Capitalization(B)	\$5.441	Beta	3.68
Trailing 12-Month EPS	\$5.79	S&P Oper. EPS 2012 E	-0.44	Yield (%)	Nil	S&P 3-Yr. Proj. EPS CAGR(%)	NM
Trailing 12-Month P/E	1.9	P/E on S&P Oper. EPS 2011 E	NM	Dividend Rate/Share	Nil	S&P Credit Rating	B-
\$10K Invested 5 Yrs Ago	\$1,956	Common Shares Outstg. (M)	488.8	Institutional Ownership (%)	54		

Price Performance



Options: ASE, CBOE

Analysis prepared by Equity Analyst **Esther Kwon, CFA** on Nov 07, 2011, when the stock traded at **\$10.96**.

Highlights

- ▶ We believe that most of MGM's revenues and profits will continue to come from properties on the Las Vegas Strip, which accounted for about 74% of total revenues and 79% of total property EBITDA in 2010, although we expect MGM China's contribution to grow rapidly. In 2011, excluding the consolidation of the results from MGM China beginning June 3, we project revenues will rise at a mid-single digit pace on improvement in room rates, as convention bookings and rates continue to accelerate through 2011. For 2012, we forecast an approximate 19% rise in revenue as a full year's results of MGM China are included.
- ▶ We look for some expense leverage as the company keeps costs and head count tightly controlled, and we project overall property EBITDA margin expansion as the higher margin MGM China property grows faster and accounts for a larger proportion of overall company property EBITDA.
- ▶ We estimate a 2011 loss per share of \$0.56, on projected higher property EBITDA but lower interest expense, narrower than the 2010 operating loss of \$1.11. For 2012, we see the loss narrowing further to \$0.44 per share.

Investment Rationale/Risk

- ▶ We see Las Vegas trends improving on an increase in higher margin convention business, and we see improved liquidity at MGM. In March 2010, the company extended the maturity of a significant portion of \$4.7 billion of senior credit facilities to February 2014 from October 2011, and raised additional equity through an offering of approximately 41 million common shares in October 2010. In addition, we expect asset sales to provide further balance sheet improvement. MGM has placed its 50% interest in the Borgata in Atlantic City in a divestiture trust under an agreement with New Jersey regulators, and successfully completed a public offering of MGM China on June 3, 2011.
- ▶ Risks to our opinion and target price include the possibility that gaming markets where MGM operates will become weaker than expected, and that asset sales will occur at less favorable prices than expected.
- ▶ Our 12-month target price of \$12 is based on a discount to the large market peers EV/EBITDA multiple of 9.5X our 2012 EBITDA estimate. We believe a premium to the 7X-8.5X multiples of smaller and mid-market operators and a discount to Macau-exposed peers is appropriate.

Qualitative Risk Assessment

LOW **MEDIUM** **HIGH**

Our risk assessment reflects our caution toward the company's highly leveraged balance sheet. Also, the company has a relatively large proportion of assets in the Las Vegas gaming market.

Quantitative Evaluations

S&P Quality Ranking **C**

D **C** **B-** **B** **B+** **A-** **A** **A+**

Relative Strength Rank **STRONG**

89
LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)					
	1Q	2Q	3Q	4Q	Year
2011	1,505	1,806	2,234	--	--
2010	1,457	1,538	1,558	1,466	6,019
2009	1,499	1,494	1,533	1,452	5,979
2008	1,893	1,905	1,786	1,625	7,209
2007	2,103	1,936	1,897	1,929	7,692
2006	1,774	1,761	1,795	1,846	7,176

Earnings Per Share (\$)					
2011	-0.18	-6.22	-0.25	E-0.18	E-0.56
2010	-0.22	-2.00	-0.72	-0.29	-3.19
2009	-0.38	-0.60	-1.70	-0.98	-3.41
2008	0.40	0.40	0.22	-4.15	-3.06
2007	0.55	0.62	0.62	2.85	4.70
2006	0.48	0.49	0.53	0.68	2.18

Fiscal year ended Dec. 31. Next earnings report expected: Mid February. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data

No cash dividends have been paid since 2000.

MGM Resorts International**Business Summary** November 07, 2011

CORPORATE OVERVIEW. Most of the assets of MGM MIRAGE (formerly MGM Grand), a major gaming company, are located in Las Vegas. This includes some large properties that were part of MGM's April 2005 acquisition of Mandalay Resort Group (MBG). The merger significantly added to MGM MIRAGE's already large presence in Las Vegas, where the company now has 10 owned and operated casino/hotels on the Las Vegas Strip, including its CityCenter joint venture. MGM is also a joint venture partner in The Borgata, an Atlantic City casino/hotel, and the MGM Grand Macau, a casino/hotel in Macau, China, and has other gaming-related assets.

CORPORATE STRATEGY. We see MGM's most ambitious expansion project being its multi-billion dollar development, called CityCenter, in Las Vegas. This project was developed on 67 acres of land that the company owns adjacent to Bellagio. In May 2006, MGM estimated the cost of CityCenter at about \$7 billion, excluding preopening and land costs. As of December 2007, the net project budget was \$8 billion after \$2.7 billion in proceeds from the sale of residential units.

In 2007, MGM announced a strategic relationship with Dubai World, which bought a 50% joint venture interest in MGM's Las Vegas CityCenter development, and also acquired a significant minority stake in MGM. After scaling back and delaying certain portions of the project, the company opened CityCenter in December 2009.

In September 2007, MGM entered into an agreement with Kerzner International and Istithmar to develop 40 acres of land (valued at \$20 million per acre) for a multi-billion dollar resort in Las Vegas, which it postponed in September 2008 due to unfavorable market conditions.

In October 2007, MGM announced plans for the development for the MGM Grand Atlantic City, located on 72 acres, which would include three towers with more than 3,000 rooms and suites, about 5,000 slot machines, 200 table games, 500,000 square feet of retail, a convention center and other resort offerings; however, it has since postponed the project and took a related \$548 million impairment charge in the fourth quarter of 2009.

MGM also seeks strategic partnerships and international expansion opportunities in which it can leverage its management expertise and well recognized brands. To that end, MGM has signed a joint venture agreement with the Diaoyutai State Guesthouse in the People's Republic of China, aimed at creating a strategic relationship to pursue non-gaming business opportunities globally, initially targeting prime locations, including Beijing. In June 2008, MGM Hospitality and Diaoyutai agreed to provide development and management services for a major mixed-use project in Tianjin, China, called Sinosteel International Plaza. Diaoyutai/MGM Grand Hotel Management is expected to develop and operate a 350-key luxury hotel (MGM Grand Tianjin), a 50-suite Skylofts at MGM Grand, and 60 luxury condominiums with related spa restaurant and other facilities.

Following an alliance with the Mashantucket Pequot Tribal Nation (MPTN), MGM opened a \$700 million casino resort next to Foxwoods in May 2008, and has formed a jointly owned company, Unity Gaming, LLC, to develop future gaming and non-gaming enterprises. MGM is expected to provide a loan of up to \$200 million to finance a portion of MPTN's investment in joint projects. MGM collects a licensing fee for the use of the MGM Grand name at Foxwoods.

In November 2007, the company announced plans to develop and manage the MGM Grand Abu Dhabi, a multi-billion dollar mixed use development on a prominent waterfront site in Abu Dhabi. The plans include an MGM Grand hotel, two additional luxury brand MGM hotels and luxury residential units with entertainment facilities, high end retail, dining and convention facilities.

In November 2008, MGM and Asian Coast Development Ltd. announced plans to develop the MGM Grand Ho Tram, a multi-property complex in southwest Vietnam, expected to open in 2013. MGM plans to provide development assistance and operate the five-star resort upon completion.

MARKET PROFILE. The casino gaming industry is highly competitive and is rapidly expanding in a number of states. We estimate MGM-owned casinos account for less than 10% of aggregate U.S. domestic gaming revenue. However, we believe that most of MGM's gaming revenues come from the Las Vegas Strip area, where we estimate that the market share of casinos now owned by MGM was over 30% in 2010.

COMPETITIVE LANDSCAPE. MGM has various competitors, including Las Vegas Sands and Harrah's Entertainment, the latter of which expanded its presence with the June 2005 acquisition of Caesars Entertainment. Also, in Las Vegas, Wynn Resorts Ltd. opened a second large new casino/hotel in December 2008. In December 2010, Deutsche Bank opened the first phase of the Cosmopolitan of Las Vegas next door to CityCenter and the Bellagio.

FINANCIAL TRENDS. From 2006 to 2010, revenues slipped at a compound annual rate of 4.3%, while total debt declined at a 1.9% rate, to \$12.1 billion. During those years, total debt peaked at \$14.6 billion in 2009. As of December 2010, Tracinda Corp., which is wholly owned by Kirk Kerkorian, owned 27% of MGM's common shares.

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SVP & Cntrl

A.R. Edward

COO

C.I. Sanders

CFO & Treas

D.J. D'Arrigo

EVP & Chief Admin Officer

A. Manzini

Board Members

R. H. Baldwin

W. A. Bible

B. M. Cohen

W. D. Davis

A. M. Herman

R. A. Hernandez

A. L. Mandekic

R. E. McKinney-James

J. J. Murren

D. J. Taylor

M. B. Wolzinger

Domicile

Delaware

Founded

1986

Employees

61,000

Stockholders

4,436

MGM Resorts International

Quantitative Evaluations

S&P Fair Value Rank	NR	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation NA

Investability Quotient Percentile	12
	LOWEST = 1 HIGHEST = 100

MGM scored lower than 88% of all companies for which an S&P Report is available.

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation NEUTRAL Since December, 2011, the technical indicators for MGM have been NEUTRAL.

Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	1.11	0.58	0.53	3.26
Price/EBITDA	6.56	3.06	2.25	12.36
Price/Pretax Income	NM	NM	NM	11.61
P/E Ratio	NM	NM	NM	17.89
Avg. Diluted Shares Outstg (M)	450.4	378.5	279.8	298.3

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	0.68	-8.81	-2.77	6.80
Net Income	NM	NM	NM	NM

Ratio Analysis (Annual Avg.)

	2010	2009	2008	2007
Net Margin (%)	NM	NM	NM	NM
% LT Debt to Capitalization	80.07	74.55	68.44	65.21
Return on Equity (%)	NM	NM	NM	0.31

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	5.26	7.82	12.81	20.25	7.68	5.41	9.04	7.92	7.79	7.65
Cash Flow	-1.78	-1.59	-0.28	7.04	4.54	3.62	2.63	2.14	2.16	0.53
Earnings	-3.19	-3.41	-3.06	4.70	2.18	1.50	1.21	0.78	0.92	0.53
S&P Core Earnings	-1.09	-3.39	1.17	1.85	2.00	1.34	1.14	0.57	0.72	0.43
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	16.66	16.89	84.92	100.50	59.52	46.77	36.75	19.30	21.02	16.42
Prices:Low	8.92	1.81	8.00	56.40	34.20	32.57	18.36	12.05	13.90	8.10
P/E Ratio:High	NM	NM	NM	21	27	31	30	25	23	31
P/E Ratio:Low	NM	NM	NM	12	16	22	15	15	15	15

Income Statement Analysis (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	6,019	5,979	7,209	7,692	7,176	6,482	4,238	4,324	4,031	4,010
Operating Income	1,020	1,127	1,714	2,028	2,118	1,830	1,240	1,079	1,131	1,128
Depreciation	633	689	778	700	654	588	403	413	399	391
Interest Expense	1,114	775	795	924	760	656	378	341	296	352
Pretax Income	-2,216	-2,013	-669	2,158	978	679	556	354	466	278
Effective Tax Rate	NA	35.8%	NM	35.1%	35.0%	34.7%	37.1%	33.0%	37.2%	38.5%
Net Income	-1,437	-1,292	-855	1,401	636	443	350	237	293	171
S&P Core Earnings	-490	-1,296	329	552	552	397	327	174	230	139

Balance Sheet & Other Financial Data (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Cash	499	2,056	296	412	453	378	435	178	211	209
Current Assets	1,391	3,054	1,533	1,175	1,515	1,019	820	758	605	662
Total Assets	18,896	22,518	23,275	22,728	22,146	20,699	11,115	10,710	10,505	10,497
Current Liabilities	1,246	2,384	3,003	1,725	1,648	1,535	928	765	750	888
Long Term Debt	12,048	12,976	12,417	11,181	13,207	12,551	5,459	5,522	5,321	5,295
Common Equity	2,999	3,870	3,974	6,061	3,850	3,235	2,772	2,534	2,664	2,511
Total Capital	15,046	17,926	17,439	20,658	20,498	15,786	10,033	9,821	9,755	9,552
Capital Expenditures	207	137	782	2,917	1,884	760	703	550	300	328
Cash Flow	-804	-602	-77.1	2,101	1,290	1,031	753	650	691	171
Current Ratio	1.1	1.3	0.5	0.7	0.9	0.7	0.9	1.0	0.8	0.7
% Long Term Debt of Capitalization	80.1	72.4	71.2	54.1	64.4	79.5	54.4	56.2	54.6	55.4
% Net Income of Revenue	NM	NM	NM	18.2	8.9	6.8	8.3	6.1	7.3	4.3
% Return on Assets	NM	NM	NM	6.2	3.0	2.8	3.2	2.2	2.8	1.6
% Return on Equity	NM	NM	NM	28.3	18.0	14.8	13.2	9.1	11.3	7.0

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

MGM Resorts International

Sub-Industry Outlook

Our fundamental outlook for the casinos and gaming sub-industry is neutral. Although we see a continued difficult consumer spending environment, we think the gaming industry will continue to show improvement in 2011 and 2012, driven mainly by Las Vegas. However, we expect some regional markets such as Atlantic City to continue to struggle.

In our view, the legalization or development of new U.S. gaming markets has accelerated with the debut of gaming facilities in states such as Pennsylvania, and state budgetary shortfalls. Casino gambling is now legal in more than 20 states, and we see a trend toward gaming machines being increasingly allowed at U.S. racetracks and other venues.

We see a more benign outlook in 2011 and 2012 for room rates in Las Vegas after considerable pressure in the last few years due to significant additional supply and a reduction in demand. Las Vegas posted a 6% hike in additional rooms in 2009 even with high-profile delays, such as Boyd's Echelon, and the removal of the 3,812-room Fontainebleau from 2009. At the same time, visitors declined at a 3% rate for 2009 versus 2008's 4.4% drop. In 2010, visitation rose 2.7% and room inventory was flat. In 2011, we look for a less than 1% increase in new supply and a mid-single digit rate increase in visitation. More importantly, we see a return of high-margin convention visitation to Las Vegas in 2011 and 2012, which we believe will help support room rates, as corporations increase travel spending and target what we view as good values in Las Vegas relative to other cities hosting conventions.

We expect companies with operations in Macau to outperform given their exposure to what we view as better supply/demand fundamentals, strong economic growth, and increasing transportation investments.

We view prospects for gaming machine manufacturers to be about in line with those for operators. With improved balance sheets as a result of significant capital raising efforts at the end of 2008 and throughout 2009 and 2010, we look for casino operators to eventually resume refreshing and upgrading their slot floors. Additionally, we anticipate future gaming machine sales to increasingly benefit from what we expect will be a shift to server-based gaming machines as well as expansion of gaming as states look to plug budget shortfalls, but we see delays and uncertain timing.

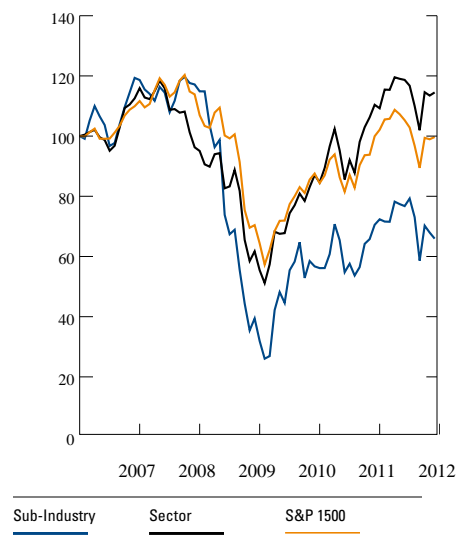
Year to date through December 9, the S&P Casinos and Gaming Index fell 8.1% compared to a 0.4% drop for the S&P 1500 Index. In 2010, the sub-industry index advanced 24.4% compared to a 14.2% increase for the S&P 1500.

--Esther Y. Kwon, CFA

Stock Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Casinos & Gaming

Based on S&P 1500 Indexes
Month-end Price Performance as of 12/30/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Casinos & Gaming Peer Group*: Casino/Hotel Companies - Larger

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
MGM Resorts International	MGM	5,441	11.13	16.94/7.40	NM	Nil	2	NA	C	12	NA	80.1
Ameristar Casinos	ASCA	566	17.35	24.50/14.60	1.50	2.4	75	14.20	B-	21	0.7	76.2
Boyd Gaming	BYD	600	6.95	12.78/4.12	2.55	Nil	NM	9.70	B	93	1.3	66.0
Isle of Capri Casinos	ISLE	173	4.45	11.22/3.90	2.20	Nil	37	NA	B-	15	0.1	79.1
Las Vegas Sands	LVS	30,775	42.17	51.05/36.05	NM	Nil	28	50.60	NR	19	11.4	47.2
Melco Crown Entertainment ADS	MPEL	1,692	9.51	16.15/6.46	1.90	Nil	25	NA	NR	12	NA	37.6
Wynn Resorts	WYNN	13,363	106.94	172.58/101.02	2.54	1.9	25	121.10	NR	30	7.6	56.5

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

MGM Resorts International**S&P Analyst Research Notes and other Company News****November 3, 2011**

04:16 pm ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MGM RESORTS INTERNATIONAL (MGM 10.73***): Adjusted Q3 loss per share of \$0.14, vs. loss of \$0.21, misses our loss estimate by \$0.05 and meets Capital IQ consensus loss per share estimate. Adjusted property EBITDA of \$492M was about in line with our view. As we expected, Vegas occupancy and ADR rose, with RevPar jumping 13%. We look for convention business to remain healthy and drive rates and occupancy into 2012. On mostly non-operating items, we widen our '11 loss per share estimate by \$0.18, to \$0.56, and trim our target price by \$1 to \$12 on revised forward EV/EBITDA. /E. Kwon, CFA

September 20, 2011

UP 0.68 to 11.56... Morgan Stanley reportedly upgrades MGM to overweight from equal-weight.

August 18, 2011

DOWN 1.22 to 10.32... In SEC filing, Kirk Kerkorian's Tracinda says it completed the sale of 20M MGM common shares. As a result of the sale, Tracinda beneficially owns about 111.2M common shares, representing 22.8% of the outstanding common stock.

August 9, 2011

MGM posts \$6.22 Q2 EPS vs. \$2.00 loss on 17% revenue rise. Notes Q2 '11 include a gain of \$6.30 per share as a result of acquiring a controlling interest in MGM China Holdings Limited, which co. began consolidating as of 6/3/11; Q2 '10 include a non-cash charge of about \$1.64 per share, net of tax, relating to an impairment of co.'s investment in the CityCenter joint venture. Capital IQ consensus forecast was \$0.11 loss.

August 9, 2011

10:03 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MGM RESORTS INTERNATIONAL (MGM 10.94***): Excluding a gain on an MGM China transaction and other items, we calculate an \$0.08 loss, vs. a \$0.35 loss, narrower than our estimate of a \$0.10 loss and consensus loss forecast from Capital IQ of \$0.13. Though Vegas results were negatively impacted by \$27M from unfavorable hold, property EBITDA exceeded our model. Higher margin convention business remains on uptrend, but we remain cautious due to uncertainty and middle market to lower tier property exposure. We narrow our '11 estimate by \$0.09 to a \$0.38 loss, but cut our target price by \$3 to \$13 on lower peer multiples. /E. Kwon, CFA

May 4, 2011

UP 1.33 to 14.22... MGM posts \$0.18 Q1 loss vs. \$0.22 loss on 3% revenue rise. S&P maintains hold. ...

May 4, 2011

03:03 pm ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MGM RESORTS INTERNATIONAL (MGM 14.36***): Adjusted Q1 loss per share of \$0.16, vs. loss per share of \$0.29, is narrower than our \$0.22 per share loss view, and consensus loss of \$0.19 from Capital IQ (an entity that operates independently of S&P Equity Research). Vegas Strip and CityCenter JV results exceeded our view, as wholly owned occupancy rose to 87% from 85%, and RevPAR jumped 16%, with convention room nights representing 20% of room mix. On higher Vegas Strip assumptions, we narrow our 2011 loss per share estimate by \$0.17 to \$0.47 but lower our target price by \$1 to \$16, on lower forward EV/EBITDA multiple. /E.Kwon-CFA

April 18, 2011

Kirk Kerkorian will step down in June from the MGM Resorts International board of directors to become a senior adviser and the company's first director emeritus.

April 15, 2011

On April 14, 2011, MGM Resorts International announced that the Board of Directors voted unanimously to recognize Kirk Kerkorian, the legendary businessman and philanthropist, with the distinction of Director Emeritus. On April 8, 2011, Mr. Kerkorian informed the Company that he will serve out his current term as a Board member, due to expire at the Company's Annual Meeting of Shareholders in June, at which time he will transition to his status as Director Emeritus.

April 13, 2011

MGM inks deals with Ms. Pansy Ho pursuant to which proposed IPO of MGM China Holdings Ltd. on the Hong Kong Stock Exchange, related transactions will be structured so that MGM will obtain 51% ownership, mgmt control, of MGM China upon consummation of the offering. Also, Ms. Ho has agreed to invest in MGM by purchasing \$300M of conv. senior notes issued by MGM on terms similar to MGM's existing 4.25% conv. senior notes due 2015.

February 14, 2011

UP 0.00 to 15.54... MGM posts \$0.29 Q4 loss vs. \$0.98 loss as lower expenses offset slight revenue drop. The Street was looking for a loss of \$0.22.

February 14, 2011

01:16 pm ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MGM RESORTS INTERNATIONAL (MGM 14.94***): We calculate adjusted loss per share of \$0.26, vs. loss of \$0.21, on lower Vegas Strip property EBITDA than we forecast. While hold negatively impacted results, we find lower Strip occupancy and RevPAR disappointing and attribute most of the weakness to exposure to a struggling mid-tier segment. We think proposed Macau spin-off would be supportive to shares and Vegas results steadily improving through 2011, but at a slower rate than high end peers. We widen our '11 per share estimate \$0.01 to a \$0.64 loss, but lift our 12-month target price by \$4 to \$17 on higher peer multiples. /E.Kwon-CFA

December 13, 2010

03:43 pm ET ... S&P LIFTS FUNDAMENTAL OUTLOOK ON CASINOS & GAMING TO NEUTRAL FROM NEGATIVE (MGM 44.9***): Although we still see challenges to the industry based on a difficult consumer spending environment, we think industry performance in 2011 will be lifted by continued improvement in Las Vegas, which accounted for over 20% of commercial casino gross gaming revenue year to date through October. We see Vegas Strip room rates improving on a more benign room supply outlook and a modest improvement in visitation. We believe Vegas Strip offers compelling values for corporate and leisure segments. However, we still see challenges to regional markets and Atlantic City. /E.Kwon-CFA

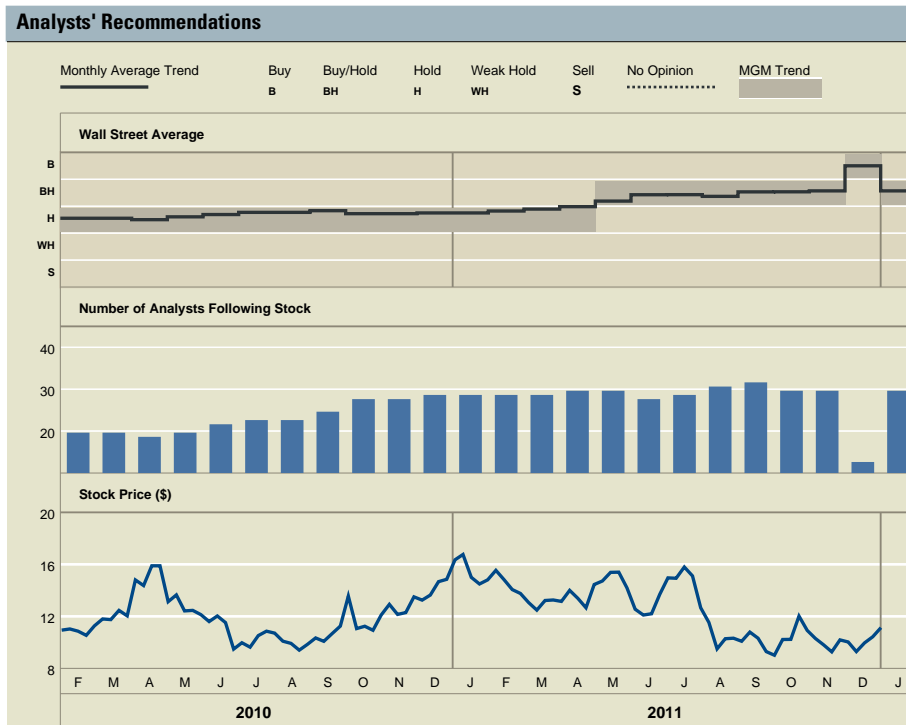
November 3, 2010

02:33 pm ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MGM RESORTS INTERNATIONAL (MGM 11.94***): Adjusted loss per share of \$0.21, vs. \$0.02 EPS, is in line with our estimate and MGM's preliminary release issued in conjunction with its October 40.9M share offering. As expected, bookings for Vegas convention room nights and room rates are rising, and we think they will likely accelerate in 2011. With high exposure to Vegas Strip, MGM should benefit from these trends, but we think share valuation incorporates this prospective improvement. On more shares outstanding, we narrow our loss per share estimate by \$0.03 to \$1.06 loss, but keep our EV/EBITDA-based target price of \$13. /E.Kwon-CFA

October 13, 2010

MGM expects Q3 loss of about \$0.72, incl. pre-tax impairment charges totaling \$357M. MGM also says it's offering 40.9M shares and that its largest stockholder, Tracinda Corp., is offering 27.782M shares. Separately, MGM says it recently received offer for its 50% economic interest in Borgata Hotel Casino & Spa based on enterprise value of \$1.35B for entire asset. Also, MGM expects to receive about \$125M from MGM Macau during Oct. '10, representing partial repayment of principal, accrued interest.

MGM Resorts International



Of the total 36 companies following MGM, 29 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	12	41	12	12
Buy/Hold	8	28	0	7
Hold	8	28	0	9
Weak Hold	1	3	0	1
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	29	100	12	29

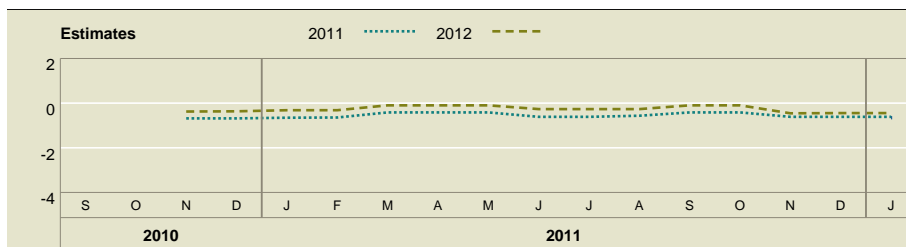
Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- Over 30 firms follow this stock; not all firms are displayed.
- Argus Research Company
 - Atlantic Equities LLP
 - BMO Capital Markets, U.S. Equity Research
 - Barclays Capital
 - BofA Merrill Lynch
 - Brean Murray, Carret & Co.
 - Buckingham Research Group Inc.
 - CRT Capital Group LLC
 - Citigroup Inc
 - Credit Agricole Securities (USA) Inc.
 - Credit Suisse
 - Deutsche Bank
 - FBR Capital Markets & Co.
 - Gabelli & Company, Inc.
 - Goldman Sachs
 - Hudson Securities Inc.
 - JP Morgan
 - Janney Montgomery Scott LLC
 - Jefferies & Company, Inc.
 - KeyBanc Capital Markets Inc.
 - Lazard Capital Markets
 - Macquarie Research
 - Moody's
 - Morgan Stanley
 - Morningstar Inc.
 - Nomura Securities Co. Ltd.
 - Oppenheimer & Co. Inc.
 - Rodman & Renshaw, LLC
 - S&P Equity Research
 - Sanford C. Bernstein & Co., Inc.

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	-0.41	0.03	-0.74	25	NM
2011	-0.58	-0.41	-0.82	25	NM
2012 vs. 2011	▲ 29%	▲ 107%	▲ 10%	0%	NA
Q4'12	-0.13	-0.05	-0.19	12	NM
Q4'11	-0.21	-0.15	-0.27	21	NM
Q4'12 vs. Q4'11	▲ 38%	▲ 67%	▲ 30%	▼ -43%	NA

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that MGM will earn \$-0.58. For the 3rd quarter of fiscal year 2011, MGM announced earnings per share of \$-0.25, representing 43% of the total annual estimate. For fiscal year 2012, analysts estimate that MGM's earnings per share will grow by 29% to \$-0.41.

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

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Glossary

S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates

Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment

is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves

as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:

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	Raw Score	Max Value
Proprietary S&P Measures	5	115
Technical Indicators	5	40
Liquidity/Volatility Measures	19	20
Quantitative Measures	11	75
IQ Total	40	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services

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MGM Resorts International**Abbreviations Used in S&P Equity Research Reports**

CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 42.2% of issuers with buy recommendations, 54.2% with hold recommendations and 3.6% with sell recommendations.

In Europe: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 34.4% of issuers with buy recommendations, 49.4% with hold recommendations and 16.2% with sell recommendations.

In Asia: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 48.4% of issuers with buy recommendations, 45.7% with hold recommendations and 5.9% with sell recommendations.

Globally: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 41.5% of issuers with buy recommendations, 52.6% with hold recommendations and 5.9% with sell recommendations.

★★★★★ 5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ 4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★★★★★ 1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

S&P Global Quantitative Recommendations Distribution

In Europe: As of September 30, 2011, Standard & Poor's Quantitative Services Europe recommended 51.0% of issuers with buy recommendations, 18.0% with hold recommendations and 30.0% with sell recommendations.

In Asia: As of September 30, 2011, Standard & Poor's Quantitative Services Asia recommended 48.4% of issuers with buy recommendations, 21.0% with hold recommendations and 30.0% with sell recommendations.

Globally: As of September 30, 2011, Standard & Poor's Quantitative Services globally recommended 46.0% of issuers with buy recommendations, 20.0% with hold recommendations and 33.0% with sell recommendations.

Additional information is available upon request.

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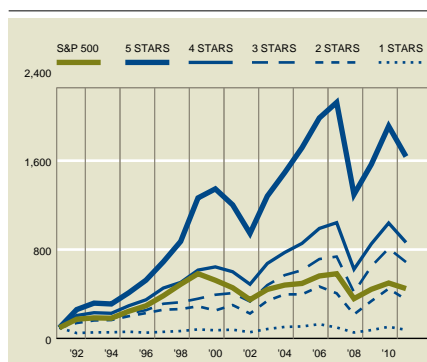
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U.S. STARS Cumulative Model Performance Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 12/31/2011



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are

made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a \$100,000 investment for a 12-month period (or \$10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or \$1,650), the net return would be 8.35 percent (or \$8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of \$5,375 and a cumulative net return of 27.2% (or \$27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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