

Southern Nevada Tourism Committee

Appendix to MGM Resorts Presentation

October 22, 2015

1) Organizational Overview

- a. Please provide a brief history of your organization and its importance to the region's tourism-based economy.**

MGM Resorts international; a premier leader in Hotel, Entertainment, Gaming, Food & Beverage, Meetings & Conventions, is the largest employer in the State of Nevada. A result of mergers & acquisitions along with new building over the last 22 years, we currently own 15 resorts in Las Vegas with over 41,000 rooms (27% of the total Las Vegas inventory) and employ 50,000 people. Our brands, from Circus Circus to Bellagio, deliver every type of hospitality offering across the spectrum of price points reflecting the full range of the Las Vegas experience.

Specifically in the area of meetings, convention and trade shows, MGM Resorts is the industry leader with over 3.3 million square feet of convention and trade space. In addition we have two world class arenas, as well as 12 theaters that host many unique and/or large general sessions and special entertainment and sporting events. Also we have 60 acres of premier outdoor festival grounds allowing us to host large creative theme events.

In 2014 we hosted more than 7000 meetings and events, generating 2.5 million trackable convention room nights and more than \$800 Million in direct convention revenue spending. Whether it's a board of directors meeting for 10 people to a 50,000 person tradeshow, MGM Resorts has become a recognized leader in meeting and trade show excellence and enjoy strategic partnerships with the largest global producers of meetings, conventions and exhibits.

- b. Please provide an overview of the current status of your organization, including competitive positioning.**

MGM Resorts is the largest employer and tax payer in the State of Nevada. Consistently investing hundreds of millions of dollars annually to make sure that we maintain our industry leading marketing position. We currently have over \$800 million in construction and reinvestment in Las Vegas to protect and enhance our leading position. We understand and accept the responsibility to continue to lead the market on behalf of both shareholders as well as improving the local community.

c. Please provide a general overview of the role your organization plays in southern Nevada's tourism economy.

MGM Resorts International role in Southern Nevada Economy is profound. The tax revenue our company generates alone represents over 10% of the Nevada States General Fund. Our company generates more room tax than any other company that contributes 35% of the Las Vegas Convention Authority. Of that total, 32% of that revenue goes to actually fund the LVCVA and LVCC operations with the rest going to education, roads and highways and other community needs across the state.

MGM Resorts is also a good steward of our success further contributing to the economy and local community. In addition to the billions of dollars we spend annually in Clark County for construction and procurement, we also invest and reinvest heavily in our ongoing commitment to Corporate Social Responsibility. Our company and our employees have invested millions of dollars to charities, in addition to thousands of volunteer hours (172,000 in 2014) to those in need. In 2014, MGM Resorts employees donated more than 1 million pounds of food to Three Square becoming the largest single corporate donation in the US to a local food bank. All of this has positioned MGM as America's Top 100 Most Reputable companies for CSR by the Reputation Institute.

d. Please provide a look forward for your organization, including any relevant plans demand or performance metrics and any plans for future expansion.

While MGM is actively involved in both domestic and international expansion, our home and largest footprint remains here in Las Vegas. Over the last several years we have invested billions to maintain our market-leading positions. City Center, the North and South Strip festival lots, Mandalay Bay Convention Expansion plus hundreds of millions of specific property hotel and food and beverage investments are just a few of the visible examples. We are in the middle of changing the landscape of the strip for the next several decades with our new \$400 million Las Vegas Arena as well as the \$ 100 million park which will include a new \$100 million theatre, shops and restaurants.

Aligned with our entertainment strategy, our goal is to diversify and grow/enhance our offerings in order grow our repeat visitation success while at the same time increase demand for new customers both domestically and internationally.

Specifically in the meetings and convention market our expansion at Mandalay Bay as well as the new Las Vegas Arena has already brought new customers for the city that would have otherwise not been able to consider us. It is important to note that many of the large corporate customers are in need and have already expressed interest in the new neutral venue and expanded capacity for Las Vegas.

e. What is your organization's view of growth generally? Do you agree or disagree with the baseline projections set forth by the Committee?

We generally agree with the baseline projections provided to us. We are very optimistic about Las Vegas' future and know that meetings and conventions is one of the centerpieces of that growth.

However, if we remain complacent on our current market position as the number one tradeshow destination in North America and not listen to our current customers' needs and prospective customers' interests, then the projections set forth by this Committee are at serious risk; especially understanding the growing competitive landscape and investment of competing destinations like Orlando, Houston and San Francisco to name a few.

2) Current and Future Infrastructure Needs

a. Please provide an overview of the current capacity of your organization's operations given today's tourism-related infrastructure.

In addition to the targeted areas that this committee is focused on, is the ability to grow international visitation from 19% to 30% over the next 5 years. Current relationships with the LVCVA and McCarren International along with the hosting of the World Routes Conference, is starting to pay dividends in attracting new incremental airlift.

b. Are there challenges created external to your organization, outside of your direct control, that are causing bottlenecks or other inefficiencies for your organization and limiting your ability to provide service as efficiently as possible?

We believe several of the areas being looked at by this committee (specifically transportation, modernization of the airport and improved pedestrian strip experience), as well as the expansion and renovation of the Las Vegas Convention Center are the biggest external factors that have impact to both our current service and future demands of our business.

c. What incremental infrastructure will be required to meet the demand projected through 2050?

A continued focus on NexGen modernization for the airport, airport passenger experience improvements, continued growth in both domestic and international flights, rail options from both California and Las Vegas Airport to Strip access are all necessary and critical as we grow past 50 Million annual visitors over the next 30 years.

d. What are the biggest risks to your organization's ability to meet the anticipated service demands?

As our industry continues to evolve, mature and become much more sophisticated in operations there is a growing need for an economic development vision that targets technology and analytic programming. This would include a growing dependence on University programs not only from the hospitality school but an even stronger participation with the business school.

e. What is needed in terms of legislation or other state government support to ensure tourism-related infrastructure is both reliable and sufficient through 2050?

As the June 30, 2014 HVS Las Vegas Global Business District report outlined, there has been a "declining percentage of lodging taxes dedicated to the LVCVA". The support from legislation and state government to support funding for an increasing percentage to LVCVA funding when the industry is experiencing growing revenues is vital to the continued health of the that Las Vegas market as a whole. The long term vision from state government in understanding that the important work and long term vision of the LVCVA and its resort partners is critical to the continued growth of the community as a whole as the 6% of all tax revenues go to public services.

MGM RESORTS INTERNATIONAL
FACT SHEET-APPENDIX

Oct. 22, 2015

General

- Number of rooms and suites total in US – 45,500
- Number of rooms and suites total in Las Vegas – 41,700
- Number of employees in US – 62,000
- Number of employees in Las Vegas – 50,000 (x2.23 = 111,500 residents)
- Tax revenue generated in Nevada – just over 10 percent of the General Fund
- \$ spent on construction and consulting in Clark County during 2014 - \$217M
- \$ spent on global procurement in Clark County during 2014 - \$1.4B
- Total convention space SF in US – 3.5M
- Total convention space SF in Las Vegas – 3.39M

Diversity

- Total \$ spent with minority/women/disadvantaged/vet/LGBT for supplies and construction in US - \$3B since 2001
- \$ spent with minority/women/disadvantaged/vet/LGBT for CityCenter construction - \$896.6M

Sustainability - 2014

- 56,000 tons of materials recycled at all properties in 2014, achieving a 47 percent landfill diversion rate
- 194M kWh electricity saved in the past five years, excluding CityCenter
- 239,000 MMBtu natural gas savings in the past five years, excluding CityCenter
- 794M gallons of water saved in the past five years, excluding CityCenter
- 21M gallon reduction in consumption of water from Lake Mead in 2014

Philanthropy - 2014

- More than \$10M Company and employees contributions to charity
- More than \$5M in donations to charity from employees alone
- 61% of employees donated to charitable agencies and programs through the MGM Resorts Foundation
- 1,073 nonprofit agencies were supported by the Foundation through individual employee designations during 2014
- 81 grants were awarded to agencies through the Foundation
- 109,771 children were empowered by Foundation grants through educational support, after-school programs and community mentors
- More than 7,600 employees performed community service
- Employees donated more than 1.6M lbs of food to Three Square Food Bank during the 2014 annual Company food drive

SAMPLE OF PROGRAMS SUPPORTED BY MGM RESORTS CORPORATE GIVING 2014-2015

- Nevada Military Support Alliance/Fisher House
- Clark County School District
- Cleveland Clinic Lou Ruvo Center for Brain Health
- Culinary Training Academy
- National Center for Responsible Gaming
- Nevada Health Centers' Martin Luther King, Jr. Clinic
- Brookings Mountain West
- Discovery Children's Museum
- The Smith Center for Performing Arts
- Three Square Food Bank

SAMPLE OF RECENT COMPANY AWARDS AND ACKNOWLEDGEMENTS 2014-2015

- *"America's Top 100 Most Reputable Companies"* for Corporate Social Responsibility – Reputation Institute
- *"Responsible Business of the Year"* – Global Gaming Awards 2014 and 2015
- *"Best Land-Based Gaming Operator"* – Global Gaming Awards 2014 and 2015
- *"50 Most Engaged Workplaces"* - Achievers
- *"Bettering Community" Communications Award* – American Gaming Association
- *"Top 100 Ideal Employers"* – Universum
- *"Best Place to Work for LGBT Equality"* – The Human Rights Campaign
- *"Top 10 Regional Companies for Diversity"* (rank #1) - DiversityInc
- *"Extraordinarily Employer Support for the Guard and Reserve"* – US Dept of Defense
- Green Rankings: *"Most Sustainable Companies in US"* – (rank #82 among 435) – Newsweek
- *Galaxy Star Award* – Alliance to Save Energy
- Green Key ratings and TripAdvisor GreenLeaders Award