

## **MGM Resorts International And MGM Growth Properties LLC Announce Transaction On MGM National Harbor Casino Resort MGM Growth Properties to Purchase the Real Estate Assets of MGM National Harbor MGM Resorts to Continue as the Operator**

LAS VEGAS, Sept. 5, 2017 /[PRNewswire](#)/ -- MGM Resorts International ("MGM Resorts") (NYSE: MGM) and MGM Growth Properties LLC ("MGP") (NYSE: MGP) announced today that they have entered into a definitive agreement whereby a subsidiary of MGP will purchase the long-term leasehold interest and real property improvements associated with the MGM National Harbor casino resort. MGM Resorts will lease the property from MGP and continue to operate the property following the consummation of the transaction, with no expected change to its employees, vendors, customers, and the community.

MGP will pay total consideration of approximately \$1.1875 billion, consisting of a combination of \$462.5 million in cash (which may include cash on hand or cash from financings, including borrowings under MGP's revolving credit facility), the assumption of approximately \$425 million of secured indebtedness of MGM National Harbor, LLC (which is expected to be immediately repaid by MGP on the closing date) and the issuance by MGM Growth Properties Operating Partnership LP, a subsidiary of MGP, of operating partnership units representing \$300 million of value based upon the closing price of MGP's Class A shares on September 5, 2017. MGM National Harbor will be added to the existing Master Lease between MGM Resorts and MGP, and the rent payment to MGP will increase by \$95 million. Consistent with the Master Lease terms, 90 percent of this rent will be fixed and contractually grow at 2 percent per year until 2022. The sale is expected to close in the fourth quarter of 2017, subject to regulatory approvals and other customary closing conditions.

"We are excited to welcome MGM National Harbor to our portfolio and expand our geographic presence on the East Coast," said James Stewart, CEO of MGP. "As a result of this transaction, we expect to achieve mid-single digit percentage accretion to AFFO per share, while maintaining our balance sheet flexibility. Since MGP's IPO last year, we have worked diligently to increase value for our shareholders and we remain focused on continuing to drive prudent growth through future transactions."

"We are pleased to announce another accretive transaction with MGM Growth Properties, which we believe serves the best interests of the shareholders of both companies and again demonstrates our team's ability to deliver on our long-term plan," said Jim Murren, Chairman and CEO of MGM Resorts. "MGM National Harbor has exhibited strong financial performance and has already secured its place as the leading resort in its market. We will continue to support MGP as it drives future growth through the expansion of its quality asset portfolio."

As of September 5, 2017, MGM Resorts held a 76 percent economic interest in the operating partnership of MGP.

### **About MGM Resorts International**

MGM Resorts International (NYSE: MGM) is an S&P 500® global entertainment company with national and international locations featuring best-in-class hotels and casinos, state-of-the-art meetings and conference spaces, incredible live and theatrical entertainment experiences, and an extensive array of restaurant, nightlife and retail offerings. MGM Resorts creates immersive, iconic

experiences through its suite of Las Vegas-inspired brands. The MGM Resorts portfolio encompasses 27 unique hotel offerings including some of the most recognizable resort brands in the industry. The company is expanding throughout the U.S. and around the world, developing MGM Springfield in Massachusetts and MGM COTAI in Macau, and debuting the first international Bellagio branded hotel in Shanghai. The 77,000 global employees of MGM Resorts are proud of their company for being recognized as one of FORTUNE® Magazine's World's Most Admired Companies®. For more information visit us at [www.mgmresorts.com](http://www.mgmresorts.com).

### **About MGM Growth Properties**

MGM Growth Properties LLC (NYSE:MGP) is one of the leading publicly traded real estate investment trusts engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose diverse amenities include casino gaming, hotel, convention, dining, entertainment and retail offerings. MGP currently owns a portfolio of properties acquired from MGM Resorts, consisting of ten premier destination resorts in Las Vegas and elsewhere across the United States and one dining and entertainment complex which opened in April 2016. As of December 31, 2016, these properties collectively comprise 27,233 hotel rooms, over 2.6 million convention square footage, over 100 retail outlets, over 200 food and beverage outlets and over 20 entertainment venues. As a growth-oriented public real estate entity, MGP expects its relationship with MGM Resorts and other entertainment providers to attractively position MGP for the acquisition of additional properties across the entertainment, hospitality and leisure industries that MGM Resorts or other entertainment providers may develop in the future. For more information about MGP, visit the Company's website at <http://www.mgmgrowthproperties.com>.

### **Forward-Looking Statements**

Statements in this release that are not historical facts are "forward-looking" statements and "safe harbor statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and/or uncertainties, including those described in each of MGM Resorts' and MGP's public filings with the Securities and Exchange Commission. Management of MGM Resorts and MGP have based forward-looking statements on their current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, the closing of the sale and any expected benefits to be realized as a result of the transaction (including any expected accretion to AFFO). These forward-looking statements involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which the companies operate and competition with other destination travel locations throughout the United States and the world, the design, timing and costs of expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions, delays or impediments to completing planned acquisitions or projects, the ultimate timing and outcome of any planned acquisitions or projects, MGP's ability to maintain its status as a REIT and additional risks and uncertainties described in each of MGM Resorts' and MGP's periodic reports filed with the Securities and Exchange Commission (including all amendments to those reports). In providing forward-looking statements, neither company is undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If either company updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those other forward-looking statements.



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SOURCE MGM Growth Properties LLC; MGM Resorts International

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<http://mgmresorts.investorroom.com/2017-09-05-MGM-Resorts-International-And-MGM-Growth-Properties-LLC-Announce-Transaction-On-MGM-National-Harbor-Casino-Resort>