

MGM MIRAGE Reports Record First Quarter Revenue, Cash Flow and Net Income

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PRNewswire

LAS VEGAS

MGM MIRAGE (NYSE: MGG) today reported record earnings of 52 cents per diluted share for the 2001 first quarter, compared with 38 cents per diluted share in the 2000 quarter. Excluding nonrecurring expenses, the Company reported a 26% increase in earnings per share to an all-time record high of 53 cents per share for the three months ended March 31, 2001, up from 42 cents per share in the prior year's quarter.

Net income before nonrecurring expenses grew 76% to \$85.2 million in the 2001 quarter from \$48.5 million in the prior year's quarter. These results reflect the continued strong performance from the Company's casino and hotel operations and the impact of the historic acquisition of Mirage Resorts, Incorporated ("Mirage Resorts") on May 31, 2000. Revenue and operating cash flow ("EBITDA") soared 152% and 137%, respectively, representing the ninth consecutive quarterly increase in revenue and EBITDA on a year-over-year basis.

On a pro forma basis to account for the Mirage Resorts acquisition in both periods, revenue was relatively flat at \$1.07 billion while EBITDA increased 3% to \$343.6 million in the 2001 first quarter.

"These strong results continue to confirm the tremendous value of combining two powerful companies creating a diverse portfolio of properties," said Terry Lanni, Chairman and Chief Executive Officer of MGM MIRAGE. "Our overall earnings, which reflected a normal table games hold percentage, exceeded expectations despite various challenges such as higher energy prices, the national economic slowdown and stock market volatility. Our major Las Vegas properties all experienced significant room revenue growth in the quarter and current booking trends remain positive. The capital and operational strategies already underway are intended to continue this positive momentum."

- Experienced strong increases in revenue per available room ("REVPAR") at every major Las Vegas property
- Produced significant free cash flow at all operating properties
- Sold \$12 million in non-strategic assets during the quarter, bringing the total assets sold since the Mirage acquisition to \$241 million
- Reduced debt by \$123 million during the quarter, resulting in total debt reduction of \$652 million since the acquisition of Mirage Resorts
- Construction of Borgata, our 50% owned resort, is on track and the design phase for a second wholly-owned resort in Atlantic City is underway
- Issued \$400 million of Senior Subordinated Notes, maturing on February 1, 2011
- Extinguished the balance of the \$1.3 billion Term Loan with proceeds from the note offering and free cash flow

Company-Wide Operating Results

For the three months ended March 31, 2001, the Company reported consolidated net revenue of \$1.07 billion, up 152% from the prior year's quarter of \$424 million. The increase in net revenue was largely due to the acquisition of Mirage Resorts. EBITDA grew 137% to \$343.6 million from \$144.7 million in the 2000 quarter. EBITDA also benefited from a full quarter contribution by the Mirage Resorts properties. The Company recorded a 32% overall EBITDA margin during the 2001 first quarter.

"We continue to meaningfully improve operating efficiency as evidenced by our margins which again improved in the quarter and consistently lead the industry," said Jim Murren, President and CFO of MGM MIRAGE. "We are deploying our substantial free cash flow in our existing resorts and new projects to sustain growth while our balance sheet continues to improve. Our business volumes are already benefiting from the early phase of our marketing and technology investments."

Bellagio

Bellagio achieved EBITDA of \$93.5 million on net revenue of \$260.2 million for the three months ended March 31, 2001, easily surpassing the resort's previous quarterly EBITDA record of \$88.1 million achieved in the fourth quarter of 2000. EBITDA and net revenue for the first quarter of 2000 were \$64.6 million and \$238.7 million, respectively. Quarterly EBITDA margin of 36% was also a record, and represented a nine percentage point increase over the 27% reported in the first quarter of 2000. Bellagio has reached successive new highs in EBITDA margin in each full quarter since the Mirage Resorts acquisition. Significant increases were achieved in both casino and non-casino revenue, while operating expenses were reduced by nearly 4%. Casino revenue benefited from an increase in table

games hold percentage, while double-digit increases in average daily room rate ("ADR") and REVPAR contributed to the increase in non-casino revenue.

MGM Grand Las Vegas - The City of Entertainment

MGM Grand Las Vegas - The City of Entertainment recorded net revenue of \$189.4 million and EBITDA of \$48 million for the three months ended March 31, 2001, versus \$200 million and \$61 million, respectively during the prior year's quarter. Net revenue and EBITDA during the 2001 first quarter was affected by lower casino revenue due to a lower baccarat hold percentage when compared with the prior year. Despite the lower hold percentage, The City of Entertainment was able to achieve several milestones. Table game volume (excluding baccarat) in the quarter was an all-time record high, while slot volume was the highest of any first quarter in this property's history. Net non-casino revenue rose 9% as a result of all-time record highs in both room revenue and food and beverage revenue. Room revenue benefited from an 11% increase in ADR to \$122 (an all-time record high) and a \$9 increase in REVPAR to \$116 in the 2001 first quarter.

The Mirage

The Mirage recorded net revenue of \$169.6 million, versus \$166.7 million reported in the first quarter of 2000. EBITDA of \$54.6 million was the second highest quarterly total in the last three years, surpassed only by the \$56.0 million achieved in the first quarter of 2000. Net non-casino revenue increased by \$11.9 million versus the first quarter of 2000, more than offsetting a \$9.0 million decrease in casino revenue. The decline in casino revenue was primarily attributable to a decline in table games hold percentage. All areas of non-casino revenue showed improvement over the prior year. Particularly noteworthy was the continuing strength in room revenue, as ADR and REVPAR each increased by 14% versus the prior-year quarter.

Treasure Island

Treasure Island produced net revenue of \$97.4 million, an all-time record for the resort, and EBITDA of \$31.0 million for the first quarter of 2001, versus \$94.4 million and \$28.6 million, respectively, in the prior-year quarter. This was Treasure Island's best quarterly EBITDA performance in five years, and the second best in the resort's history. Net non-casino revenue increased by \$5.0 million versus the first quarter of 2000, more than offsetting a \$2.0 million decrease in casino revenue. The decline in casino revenue was due to decreases in table games and slot volume. Room revenue benefited from double-digit increases in ADR and REVPAR, while increased entertainment revenue reflected an increase in ticket pricing, as well as a December 2000 increase in showroom capacity.

New York - New York

New York - New York recorded net revenue of \$54.5 million and EBITDA of \$23.5 million during the 2001 first quarter when compared to \$53.0 million and \$23.4 million, respectively, in the prior year's quarter. EBITDA margin remained an impressive 43% during the 2001 period. New York - New York benefited from an 11% increase in net non-casino revenue while casino revenue remained relatively flat. Net non-casino revenue increased as a result of increases in both room and food and beverage revenue. Room revenue increased due to a three percentage point increase in occupancy to 98.3%, a 9% increase in ADR, and 12% REVPAR growth.

Primm Properties

The Primm Properties, located in Primm, Nevada, produced net revenue for the 2001 first quarter of \$51.2 million and EBITDA of \$11.4 million. This compares with net revenue of \$60.8 million and EBITDA of \$19.8 million during the 2000 first quarter. These resorts have been negatively impacted by lower traffic counts on Interstate 15 as a result of increased competition from Native American casinos, as well as higher gas and utility costs in California.

Golden Nugget Properties

The Golden Nugget in downtown Las Vegas produced net revenue of \$48.4 million and EBITDA of \$11.9 million during the first quarter of 2001, representing increases of \$2.1 million and \$1.2 million, respectively, versus the amounts achieved in the 2000 first quarter. These were the best quarterly results for the Golden Nugget since 1996, the first year of operation for the Fremont Street Experience. The improved results were primarily attributable to non-casino operations, where all significant revenue categories showed strong improvement. EBITDA at the Golden Nugget Laughlin fell to \$1.5 million from the \$2.6 million reported in the 2000 first quarter, as the Laughlin market continues to face difficult competitive conditions similar to those experienced at the Primm Properties.

MGM Grand Detroit

MGM Grand Detroit produced net revenue of \$88.6 million and EBITDA of \$36.6 million for the three months ended March 31, 2001 when compared with net revenue and EBITDA of \$99.8 million and \$35.8 million, respectively, for the 2000 first quarter. Despite the lower revenue MGM Grand Detroit continued to focus on maximizing its profitability as evidenced by the increase in EBITDA margin from 36% in the 2000 period to 41% during the 2001 quarter.

Beau Rivage

Beau Rivage reported net revenue of \$68.8 million and EBITDA of \$14.5 million for the three months ended March 31, 2001, versus \$75.4 million and \$17.4 million, respectively, in the prior-year period. Casino and non-casino operations were affected by construction associated with the expansion of the resort's buffet and slot floor. The buffet expansion will increase seating capacity by 75%, while the newly configured slot floor will add approximately 370

new machines. The expanded buffet and slot offerings are scheduled to be completed during the second quarter of 2001.

Other Operations

Monte Carlo reported net revenue of \$69.5 million and EBITDA of \$24.7 million compared with \$68.4 million and \$24.7 million, respectively, for the first quarter of 2000. The Company's 50% share of this joint venture's results contributed \$11.6 million to EBITDA for the three months ended March 31, 2001.

The Holiday Inn® Casino Boardwalk ("Boardwalk") reported net revenue of \$9.1 million and EBITDA of \$1.7 million during the first quarter of 2001, versus \$9.5 million and \$1.9 million, respectively, recorded in the prior-year quarter.

For the three months ended March 31, 2001, MGM Grand Australia reported net revenue of \$7.1 million and EBITDA of \$3.0 million compared with net revenue of \$9.1 million and EBITDA of \$3.4 million in the prior year period. Reported results were adversely affected by currency translation. MGM Grand Australia's EBITDA margin grew from 37% in the 2000 period to an impressive 42% in the 2001 quarter.

MGM MIRAGE is an entertainment, hotel and gaming company headquartered in Las Vegas, Nevada, which owns and/or operates through subsidiaries 18 casino properties on three continents. Its U.S. holdings include: Bellagio, the MGM Grand Hotel and Casino - The City of Entertainment, The Mirage, Treasure Island, New York - New York Hotel and Casino, the Boardwalk Hotel and Casino and 50% of Monte Carlo, all located on the Las Vegas Strip; the Golden Nugget in Downtown Las Vegas; Whiskey Pete's, Buffalo Bill's and the Primm Valley Resort in Primm, Nevada as well as two championship golf courses at the California/Nevada state line; the Golden Nugget in Laughlin, Nevada; the Beau Rivage resort on the Mississippi Gulf Coast; and the MGM Grand Detroit Casino in Detroit, Michigan. The Company is a joint venture partner on Borgata, a resort under development in Atlantic City, New Jersey and also controls several development sites in the ocean-front resort community. Internationally, MGM MIRAGE owns and operates the MGM Grand Hotel and Casino in Darwin, Australia and manages casinos in Nelspruit, Witbank and Johannesburg, Republic of South Africa.

For more information on MGM MIRAGE and its operating subsidiaries, visit our website at <http://www.mgmmirage.com/>.

Statements in this release which are not historical facts are "forward looking" statements and "safe harbor statements" under the Private Securities Litigation Reform Act of 1995 that involve risks and/or uncertainties, including risks and/or uncertainties as described in the company's public filings with the Securities and Exchange Commission.

MGM MIRAGE AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

(Unaudited)

	Three Months Ended	
	March 31,	March 31,
	2001	2000
Revenues:		
Casino	\$ 575,395	\$ 285,578
Rooms	236,983	71,763
Food and beverage	185,956	51,004
Entertainment, retail and other	167,271	48,962
Income from unconsolidated affiliate	11,551	--
	1,177,156	457,307
Less: promotional allowances	107,649	33,294
	1,069,507	424,013
Expenses:		
Casino	309,501	139,129
Rooms	56,616	21,636
Food and beverage	102,126	28,017
Entertainment, retail and other	101,811	26,948
Provision for doubtful accounts	14,649	5,273
General and administrative	141,194	58,318
Preopening expenses and other	875	2,348
Restructuring costs	--	4,140
Depreciation and amortization	95,943	40,183
	822,715	325,992
Operating Profit	246,792	98,021
Corporate Expense	10,824	5,579
Operating Income	235,968	92,442
Non-Operating Income (Expense):		
Interest income	2,032	763
Interest expense, net	(97,536)	(22,091)
Interest expense from unconsolidated affiliate	(817)	--
Other, net	(1,145)	(162)
	(97,466)	(21,490)
Income Before Income Taxes and Extraordinary Item	138,502	70,952
Provision for income taxes	(53,830)	(26,647)
Income Before Extraordinary Item	84,672	44,305

Extraordinary Item:
 Loss on Early Extinguishment of Debt, net (778) --

Net Income \$ 83,894 \$ 44,305

Income Before Preopening and Other,
 Restructuring, and Extraordinary Item \$ 85,241 \$ 48,522

MGM MIRAGE AND SUBSIDIARIES
 PER SHARE OF COMMON STOCK
 (Unaudited)

Three Months Ended
 March 31, March 31,
 2001 2000

Per Share Of Common Stock:

Basic:

Income Before Extraordinary Item	\$ 0.54	\$ 0.39
Extraordinary Item, net	(0.01)	--
Net Income Per Share	\$ 0.53	\$ 0.39

Weighted Average Shares Outstanding (000's) 159,219 112,819

Diluted:

Income Before Extraordinary Item	\$ 0.53	\$ 0.38
Extraordinary Item, net	(0.01)	--
Net Income Per Share	\$ 0.52	\$ 0.38

Weighted Average Shares Outstanding (000's) 161,320 115,438

MGM MIRAGE AND SUBSIDIARIES
 SUPPLEMENTAL DATA PER SHARE OF COMMON STOCK
 (Unaudited)

Three Months Ended
 March 31, March 31,
 2001 2000

Per Share Of Common Stock:

Basic:

Income Before Preopening and other, Restructuring, and Extraordinary Item	\$ 0.54	\$ 0.43
Preopening expenses and Other, net	--	(0.01)
Restructuring costs, net	--	(0.03)
Extraordinary Item, net	(0.01)	--
Net Income Per Share	\$ 0.53	\$ 0.39

Weighted Average Shares Outstanding (000's)	159,219	112,819
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Diluted:

Income Before Preopening and other,		
Restructuring, and Extraordinary Item	\$ 0.53	\$ 0.42
Preopening expenses and Other, net	--	(0.01)
Restructuring costs, net	--	(0.03)
Extraordinary Item, net	(0.01)	--
Net Income Per Share	\$ 0.52	\$ 0.38

Weighted Average Shares Outstanding (000's)	161,320	115,438
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MGM MIRAGE AND SUBSIDIARIES
SUPPLEMENTAL DATA - PROPERTY OPERATING RESULTS
(in thousands)

	Three Months Ended	
	March 31,	March 31,
	2001	2000
NET REVENUES:		
Bellagio (1)	\$ 260,240	\$ --
MGM Grand Las Vegas	189,431	200,031
The Mirage (1)	169,550	--
Treasure Island (1)	97,366	--
New York-New York	54,506	52,963
Primm Properties	51,197	60,833
Golden Nugget Las Vegas (1)	48,448	--
Golden Nugget Laughlin (1)	12,467	--
MGM Grand Detroit	88,645	99,827
Beau Rivage (1)	68,813	--
Income from Unconsolidated Affiliate (1)	11,551	--
Boardwalk (1)	9,115	--
MGM Grand Australia	7,145	9,104
MGM Grand South Africa	1,033	1,255
	\$1,069,507	\$ 424,013

EBITDA:

Bellagio (1)	\$ 93,515	\$ --
MGM Grand Las Vegas	47,996	61,016
The Mirage (1)	54,558	--
Treasure Island (1)	31,005	--
New York-New York	23,456	23,418
Primm Properties	11,395	19,810
Golden Nugget Las Vegas (1)	11,868	--
Golden Nugget Laughlin (1)	1,496	--
MGM Grand Detroit	36,597	35,830
Beau Rivage (1)	14,489	--

Income from Unconsolidated Affiliate (1)	11,551	--
Boardwalk (1)	1,700	--
MGM Grand Australia	2,969	3,382
MGM Grand South Africa	1,015	1,236
	\$ 343,610	\$ 144,692

Note:

(1) The Company acquired Mirage Resorts, Incorporated on May 31, 2000, thereby acquiring the Mirage Properties and 50% ownership in the Monte Carlo Resort & Casino.

MGM MIRAGE AND SUBSIDIARIES
SUPPLEMENTAL DATA - PRO FORMA PROPERTY OPERATING RESULTS
(in thousands)

	Three Months Ended	
	March 31,	March 31,
	2001	2000 (1)
NET REVENUES:		
Bellagio	\$ 260,240	\$ 238,687
MGM Grand Las Vegas	189,431	200,031
The Mirage	169,550	166,692
Treasure Island	97,366	94,447
New York-New York	54,506	52,963
Primm Properties	51,197	60,833
Golden Nugget Las Vegas	48,448	46,307
Golden Nugget Laughlin	12,467	12,867
MGM Grand Detroit	88,645	99,827
Beau Rivage	68,813	75,380
Income from Unconsolidated Affiliate	11,551	8,374
Boardwalk	9,115	9,498
MGM Grand Australia	7,145	9,104
MGM Grand South Africa	1,033	1,255
	\$ 1,069,507	\$ 1,076,265

EBITDA:

Bellagio	\$ 93,515	\$ 64,569
MGM Grand Las Vegas	47,996	61,016
The Mirage	54,558	56,025
Treasure Island	31,005	28,610
New York-New York	23,456	23,418
Primm Properties	11,395	19,810
Golden Nugget Las Vegas	11,868	10,658
Golden Nugget Laughlin	1,496	2,553
MGM Grand Detroit	36,597	35,830
Beau Rivage	14,489	17,396
Income from Unconsolidated Affiliate	11,551	8,374

Boardwalk	1,700	1,866
MGM Grand Australia	2,969	3,382
MGM Grand South Africa	1,015	1,236
	\$ 343,610	\$ 334,743

Note:

(1) Pro forma amounts for 2000 include Mirage results for the period prior to the acquisition.

MGM MIRAGE AND SUBSIDIARIES
SUPPLEMENTAL STATISTICAL INFORMATION

Three Months Ended
March 31, March 31,
2001 2000

ROOM STATISTICS:

Bellagio (1) (3,005 Rooms)

Occupancy %	96.7%	98.8%	
Average Daily Rate (ADR)	\$195	\$171	
Revenue per Available Room (REVPAR)	\$189	\$169	

MGM Grand Las Vegas (5,034 Rooms)

Occupancy %	94.9%	97.2%	
Average Daily Rate (ADR)	\$122	\$110	
Revenue per Available Room (REVPAR)	\$116	\$107	

The Mirage (1) (3,044 Rooms)

Occupancy %	97.1%	97.2%	
Average Daily Rate (ADR)	\$133	\$117	
Revenue per Available Room (REVPAR)	\$129	\$113	

Treasure Island (1) (2,885 Rooms)

Occupancy %	95.2%	98.9%	
Average Daily Rate (ADR)	\$109	\$94	
Revenue per Available Room (REVPAR)	\$103	\$93	

New York-New York (2,024 Rooms)

Occupancy %	98.3%	95.2%	
Average Daily Rate (ADR)	\$93	\$85	
Revenue per Available Room (REVPAR)	\$91	\$81	

Primm Properties (2,642 Rooms)

Occupancy %	59.3%	64.8%	
Average Daily Rate (ADR)	\$39	\$37	
Revenue per Available Room (REVPAR)	\$23	\$24	

Golden Nugget Las Vegas (1) (1,907 Rooms)

Occupancy %	98.4%	97.0%	
Average Daily Rate (ADR)	\$65	\$61	
Revenue per Available Room (REVPAR)	\$64	\$59	

Golden Nugget Laughlin (1) (300 Rooms)

Occupancy %	96.1%	97.1%	
Average Daily Rate (ADR)	\$28	\$33	
Revenue per Available Room (REVPAR)	\$27	\$32	

Beau Rivage (1) (1,780 Rooms)

Occupancy %	94.1%	94.8%	
Average Daily Rate (ADR)	\$72	\$74	
Revenue per Available Room (REVPAR)	\$68	\$70	

Boardwalk (1) (654 Rooms)

Occupancy %	89.8%	90.3%	
Average Daily Rate (ADR)	\$70	\$67	
Revenue per Available Room (REVPAR)	\$63	\$61	

MGM Grand Australia (96 Rooms)

Occupancy %	55.0%	67.6%	
Average Daily Rate (ADR)	\$56	\$60	
Revenue per Available Room (REVPAR)	\$31	\$40	

Note:

(1) The Company acquired Mirage Resorts, Incorporated on May 31, 2000 thereby acquiring the Mirage Properties and 50% ownership in the Monte Carlo Resort & Casino. Information for 2000 includes Mirage results for the period prior to the acquisition.

MGM MIRAGE AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

ASSETS

	March 31,	December 31,
	2001	2000

CURRENT ASSETS:

Cash and cash equivalents	\$ 259,382	\$ 227,968
Accounts receivable, net	208,786	236,650
Inventories	86,333	86,279
Income tax receivable	--	11,264
Deferred income taxes	146,679	162,934
Prepaid expenses	67,283	70,549
Total current assets	768,463	795,644

PROPERTY AND EQUIPMENT, NET	9,034,577	9,064,233
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OTHER ASSETS:

Investment in unconsolidated affiliates	524,360	522,422
Excess of purchase price over fair market value of net assets acquired, net	50,650	54,281
Deposits and other assets, net	280,526	298,021
Total other assets	855,536	874,724
	\$ 10,658,576	\$ 10,734,601

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 59,013	\$ 65,317
Income taxes payable	3,170	--
Current obligation, capital leases	1,251	4,099
Current portion of long-term debt	413,044	521,308
Accrued interest on long-term debt	68,122	77,738
Other accrued liabilities	533,687	564,743
Total current liabilities	1,078,287	1,233,205

DEFERRED INCOME TAXES	1,743,500	1,730,158
LONG-TERM OBLIGATION, CAPITAL LEASES	1,974	7,092
LONG-TERM DEBT	5,337,470	5,348,320
OTHER LONG-TERM OBLIGATIONS	33,232	33,381

STOCKHOLDERS' EQUITY:

Common stock (\$.01 par value: authorized 300,000,000 shares, outstanding 159,255,533 and 159,130,205 shares)	1,633	1,632
Capital in excess of par value	2,042,803	2,041,820
Treasury stock, at cost (4,059,000 and 4,059,000 shares)	(83,683)	(83,683)
Retained earnings	511,850	427,956
Other comprehensive loss	(8,490)	(5,280)
Total stockholders' equity	2,464,113	2,382,445
	\$ 10,658,576	\$ 10,734,601

SOURCE: MGM MIRAGE

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Website: <http://www.mgmmirage.com/>

Company News On-Call: <http://www.prnewswire.com/comp/000725.html> or fax,
800-758-5804, ext. 000725