NEWS RELEASE

MGM MIRAGE Reports Record Second Quarter Revenue and Cash Flow

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PRNewswire

LAS VEGAS

MGM MIRAGE (NYSE: MGG) today reported an 82% increase in net income, before non-recurring charges and preopening expenses, to $60.7 million for the second quarter ended June 30, 2000 compared with $33.3 million in the year ago period. Including non-recurring and preopening expenses the Company reported a net loss of $19 million.

Earnings per share, before non-recurring charges and preopening expenses, rose 54% to 40 cents a share, up from 26 cents a share in the prior-year's quarter. These results reflect strong casino and hotel volume, improved operating margins, same-store cash flow growth, and the one month impact of the historic acquisition of Mirage Resorts, Incorporated ("Mirage Resorts"). These second quarter results exceeded the average estimate of 34 cents a share from analysts polled by First Call Corp. Revenues and operating cash flow soared 97% and 103%, respectively, representing the sixth consecutive quarterly increase in revenue and EBITDA on a year-over-year basis. Excluding the Mirage Resorts acquisition, revenue rose 36% to $433.7 million while EBITDA grew 54% to $151.2 million quarter-over-quarter.

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            Second Quarter Company Highlights

  --  Our net revenue was an all-time record high of $627 million
  --  Our earnings rose 54% to 40 cents per diluted share before
      non-recurring charges and preopening expenses
  --  Our EBITDA increased to an all-time record $199 million
  --  All of our operating properties produced significant free cash flow
  --  We raised $1.23 billion in a private equity placement of 46.5 million
      shares
  --  We completed the acquisition of Mirage Resorts on May 31st,
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representing the largest transaction in the history of the gaming industry, closing in just 87 days
-- We secured $4.3 billion in bank financing
-- We issued $710 million in Senior Subordinated Notes
-- We sold approximately $154 million in non-strategic assets acquired in the Mirage Resorts acquisition
-- We achieved significant cost savings ahead of targeted results

Company Wide Operating Results

The Company's consolidated net revenue of $627.2 million for the three months ended June 30, 2000 set an all-time record, up 97% from the prior- year's quarter of $319.1 million. Net revenue benefited from the May 31st acquisition of Mirage Resorts, which contributed $193.5 million in net revenue during the 2000 second quarter, and was aided by a 6% increase in net revenue at the MGM Grand Las Vegas and the incremental net revenue from MGM Grand Detroit, which commenced operations on July 29, 1999. EBITDA soared to an all-time record $198.9 million, up 103% from $97.9 million in the 1999 quarter. This increase reflects same-store EBITDA growth of 10%, a full quarter contribution from MGM Grand Detroit and a one-month contribution from Mirage Resorts. The Company continues to maximize its profitability, as evidenced by the increase in the overall EBITDA margin from 31% in 1999 to 32% in the 2000 second quarter.

"We are extremely proud of the operational and financial progress already achieved in such a short time as we seamlessly blend MGM Grand and Mirage Resorts to create MGM MIRAGE, the premiere company in the gaming industry," said J. Terrence Lanni, Chairman of the Board of MGM MIRAGE. "We are experiencing broad-based internal growth throughout our portfolio of properties and are optimistic about our future prospects."

"The integration of MGM Grand and Mirage Resorts is proceeding smoothly, and we are on track to meet or exceed the financial and operating goals set when we acquired Mirage Resorts," said James J. Murren, President and Chief Financial Officer of MGM MIRAGE. "Asset sales and free cash flow have already reduced our outstanding indebtedness by $225 million since the closing of the acquisition."

MGM Grand Las Vegas - The City of Entertainment

MGM Grand Las Vegas - The City of Entertainment produced EBITDA of $56 million for the three months ended June 30, 2000, up 18% when compared with $47.4 million in the 1999 period. Net revenue reached $203.9 million for the 2000 second quarter, an increase of 6% over the $191.5 million achieved in the 1999 period. Operating strategies fully underway continue to improve profitability, as EBITDA margins expanded from 25% in the second quarter of 1999 to 27% in the 2000 period. Higher revenues were achieved throughout the resort. Casino revenue grew 5% primarily driven by an 8% increase in table games volume, and a slightly higher table games hold percentage, while slot volume remained relatively flat. Room revenue rose in the 2000 second quarter despite a 6% reduction in the available rooms due to the ongoing room remodeling project, which covers substantially all of the standard guestrooms and is scheduled to be completed in August 2000. The average daily room rate ("ADR") increased to $110 from $100 in the 1999 second quarter, while revenue per available room ("REVPAR") increased $9 to $109. Occupancy for the 2000 second quarter decreased slightly to 99.1% from 100% in 1999. This property's healthy operating performance affirms management's decision to deploy capital to reposition this facility as The City of Entertainment.

Bellagio

Bellagio produced strong 2000 second quarter net revenue of $224.2 million and EBITDA of $55.2 million, compared with $220.4 million and $46.6 million reported in the second quarter of 1999. The EBITDA margin increased significantly to 25%, versus 21% in the prior-year quarter, reflecting ongoing cost containment efforts. The growth in net revenue was fueled principally by higher hotel, food and beverage and entertainment revenue. Casino revenue was down 7%, mostly due to a lower table games hold percentage and modestly lower table game volume. Slot volume rose 10% percent in the quarter while slot revenue increased 2%. ADR and REVPAR both increased by $16 over the 1999 second quarter to $170 and $168, respectively. Occupancy was high at 98.6%, though relatively flat when compared with the prior-year second quarter. Since the May 31st acquisition, Bellagio contributed net revenue of $68.8 million and EBITDA of $17 million to the Company's 2000 second quarter results.

The Mirage

The Mirage posted solid earnings growth over the 1999 second quarter. Net revenue increased by 13% to $152.7 million and EBITDA rose by 21% to $35.4 million. Casino revenue increased by 10% or $6.4 million and non-casino revenue grew by 15% or $13.4 million. A higher table games hold percentage and an increase in slot revenue principally accounted for the growth in casino revenue, while slot volume rose 2% and table game drop was equal to the prior year. Hotel, food and beverage and entertainment revenue all showed significant improvement. ADR was up by $8 to $123 and REVPAR increased by $7 to $120 as occupancy remained high at 97.4%. Entertainment revenue during the 2000 second quarter benefited from the opening of the new Danny Gans show. This popular singer/impersonator began performing in an all-new theatre at The Mirage in early April. Since then, both the Danny Gans and Siegfried & Roy shows have performed to near capacity crowds. Giving effect to the May 31st acquisition, The Mirage contributed $49.5 million in net revenue and $12.2 million in EBITDA to the Company's second quarter results.

New York - New York

New York - New York generated net revenue and EBITDA of $55.8 million and $25.8 million, respectively, compared with $54.7 million and $25.3 million in 1999. The EBITDA margin for the 2000 second quarter remained impressively strong with the prior-year period at 46%. The increase in net revenue was a result of increased room revenue due to higher ADR and REVPAR. As a result of New York - New York's exceptional free cash flow, the Company was able to reduce the outstanding indebtedness attributable to this property by $21.1 million in the quarter and $89 million since the acquisition of the remaining 50% of New York - New York, in March 1999. Management is in the process of implementing strategies to further enhance the entertainment experience at New York - New York to drive future earnings growth.

Treasure Island

Treasure Island achieved its third consecutive year-over-year quarterly earnings increase during the 2000 second quarter. Net revenue climbed 9% to $92.6 million and EBITDA increased by 23% to $26.9 million. The EBITDA margin for the second quarter significantly increased from 26% in 1999 to 29% in 2000. Casino revenue grew by 4% over the prior-year quarter, representing higher slot and table game volume partially offset by a decline in the table games hold percentage. Non-casino revenue increased by 13% over the 1999 quarter, reflecting growth in all departments. The resort's operating performance has improved considerably following a room refurbishment program completed in the 1999 third quarter. The program substantially upgraded the quality of the furnishings of its guestrooms and assisted the property in receiving the Four Diamond rating from AAA. ADR and REVPAR both increased to $98, compared with $94 and $93, respectively, during the 1999 second quarter. Since the May 31st acquisition, Treasure Island contributed $29 million and $7.8 million in net revenue and EBITDA, respectively, to the Company's second quarter results.

Primm Properties

The Primm Properties (Whiskey Pete's, Buffalo Bill's and the Primm Valley Resort located in Primm, Nevada and two championship golf courses at the California/Nevada Stateline) produced net revenue for the 2000 second quarter of $62.7 million and EBITDA of $20.9 million, representing a 33% EBITDA margin. This compares with net revenue of $61.5 million, EBITDA of $19.8 million, and an EBITDA margin of 32% during the 1999 second quarter. The Primm Properties' strong free cash flow was used to reduce debt attributable to these properties by $19.3 million in the quarter and by $72 million since the March, 1999 acquisition of Primadonna.

Golden Nugget Properties

The Golden Nugget in downtown Las Vegas produced net revenue of $44.7 million and EBITDA of $8.9 million during the second quarter of 2000, compared with $44 million and $7.7 million during the prior-year period. The earnings improvement is attributable primarily to an increase in casino revenue resulting from higher table game and slot volume. Earnings comparisons at the Golden Nugget in Laughlin were consistent with those of the 1999 second quarter. Since the May 31st acquisition, the Golden Nugget properties contributed $17.6 million in net revenue and $2.6 million in EBITDA to the Company's second quarter results.

MGM Grand Detroit Casino

MGM Grand Detroit produced net revenue of $101 million and EBITDA of $43.6 million for the three months ended June 30, 2000. MGM Grand Detroit's free cash flow has allowed the Company to reduce debt on its outstanding Detroit Credit Facility from a high of $181 million to its current balance of $108 million.

Beau Rivage

Beau Rivage reported its highest quarterly operating results since its March 16, 1999 opening. Net revenue grew to $80.9 million and EBITDA rose to $18 million. This compares with $78.5 million and $11.5 million in the 1999 second quarter. Non-casino revenue increased by 13%, reflecting meaningful improvement in room, food and beverage and entertainment revenue. Occupancy during the 2000 quarter increased to 99.2% compared with 83.4% in prior-year period, resulting in a REVPAR increase of $9 to $89. The casino revenue comparison was relatively flat with the 1999 second quarter, as a 7% increase in slot revenue was offset by lower table game revenue resulting from a decline in volume and hold percentage. The EBITDA margin for the quarter rose to 22%. Similar to many new resorts, Beau Rivage's operating results were hampered during its initial start-up period by overstaffing and other inefficiencies. As a result, the EBITDA margin for the 1999 second quarter was 15%. Since the May 31st acquisition, Beau Rivage contributed $25.9 million and $5.4 million in net revenue and EBITDA, respectively, to the Company's second quarter results.

Monte Carlo

The Monte Carlo Resort & Casino achieved net revenue of $71.3 million and EBITDA of $26.4 million compared with net revenue of $66.2 million and EBITDA of $22 million for the 1999 second quarter. Since the May 31st acquisition, Monte Carlo, a 50% joint venture, contributed $2.7 million to the Company's operating results.

MGM Grand Australia

MGM Grand Australia reported net revenue of $9.1 million and EBITDA of $3.6 million in the 2000 second quarter compared with net revenue of $8.8 million and EBITDA of $3.2 million in the 1999 period. MGM Grand Australia's EBITDA margin grew from 36% in the 1999 period to 40% in the 2000 quarter.

Restructuring, Write-Downs and Impairments

As a result of the May 31st acquisition of Mirage Resorts, management initiated an overall assessment of the Company's cost structure and development projects. Attention is being specifically focused on leveraging overall marketing efforts and streamlining the combined operations of MGM Grand and Mirage Resorts. As a result of these activities, net income for the three months ended June 30, 2000 was reduced by $11.7 million (8 cents per share) related to various restructuring charges including contract terminations and staffing reductions. Also, management has reassessed certain projects previously under development and is divesting certain non-strategic assets. After-tax write-downs and impairments recognized during the second quarter ended June 30, 2000 related to such activities totaled $66.4 million (44 cents per share).

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: the MGM Grand Hotel and Casino -- The City of Entertainment, Bellagio, 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 Stateline; 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 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 websites at http://www.mgmgrand.com/ and http://www.mirageresorts.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.

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