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FORM 10-K

MGM Resorts International - MGM

Filed: February 29, 2016 (period: December 31, 2015)

Annual report with a comprehensive overview of the company

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File No. 001-10362

MGM Resorts International

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

88-0215232
(I.R.S. Employer
Identification Number)

3600 Las Vegas Boulevard South - Las Vegas, Nevada 89109
(Address of principal executive office) (Zip Code)

(702) 693-7120
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes No

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant as of June 30, 2015 (based on the closing price on the New York Stock Exchange Composite Tape on June 30, 2015) was \$8.6 billion. As of February 24, 2016, 564,861,087 shares of Registrant's Common Stock, \$0.01 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for its 2016 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

Corporate Social Responsibility

We seek to conduct our business in an effective, socially responsible way while striving to maximize shareholder value. Our corporate social responsibility efforts are overseen by the Corporate Social Responsibility Committee of our Board of Directors.

Diversity and inclusion. Diversity and inclusion are fundamental to our Company's value system, our people philosophy, our cultural life and therefore, our competitive advantage as an employer and destination of choice for our global customer base. Our diversity initiative at our resorts fosters employee engagement, individual responsibility, team collaboration, leadership competency, high performance and innovation. Our diversity initiative has been widely recognized for many years and has been awarded numerous accolades.

Philanthropy and community engagement. Our host community and social investments are prioritized to strengthen the communities where our employees live, work and care for their families. Our community platform features three main programs: our Corporate Giving Program, our employee-funded MGM Resorts Foundation and our Employee Volunteer Program. Through these channels, we make financial and in-kind donations, contribute volunteer service and participate in civic and non-profit organizations and issues that advance the quality of life in our communities. Key investment areas include basic human needs, diversity, public education, health and wellness and environmental sustainability.

Environmental sustainability. We continue to gain recognition for our comprehensive environmental responsibility initiatives in energy and water conservation, recycling and waste management, sustainable supply chain and green building. Certain of our casino resorts in Nevada and our casino resort in Michigan were the first in each state to earn certification from Green Key, the largest international program evaluating sustainable hotel operations. We received certifications at all of our wholly owned domestic resorts and Aria and Vdara at CityCenter. Aria, Vdara, Bellagio and Mandalay Bay are the only casino resorts to receive "Five Green Key" (the highest possible) ratings. Many major travel service providers recognize the Green Key designation and identify our resorts for their continued commitment to sustainable hotel operations.

In addition, we believe that incorporating the tenets of sustainability in our business decisions advances a platform for innovation and operational efficiency. CityCenter (Aria, Vdara, Veer, Mandarin Oriental Las Vegas, and The Shops at Crystals) is one of the world's largest private sustainable developments. With six LEED® Gold certifications from the U.S. Green Building Council, CityCenter serves as the standard for combining luxury and environmental responsibility within the large-scale hospitality industry.

At MGM Macau, we incorporate the same commitment to environmental preservation. Our efforts to improve energy efficiency, indoor air quality, and environmental stewardship have resulted in MGM Macau receiving the Macau Environmental Protection Bureau – Macau Green Hotel Award.

The construction of MGM National Harbor and MGM Springfield will further position MGM Resorts as a leader in sustainable resort operations, and by adopting innovative technologies in the design and operating practices of these resorts, we are advancing our commitment to protecting the planet in new regions.

Development and Leveraging Our Brand and Management Assets

In allocating resources, our financial strategy is focused on managing a proper mix of investing in existing resorts, spending on new resorts and other developments or initiatives and repaying long-term debt. We believe there are reasonable investments for us to make in new initiatives and at our current resorts that will provide profitable returns.

We regularly evaluate possible expansion and acquisition opportunities in domestic and international markets. Opportunities we evaluate may include the ownership, management and operation of gaming and other entertainment facilities in Nevada, or in states other than Nevada, or outside of the United States. We leverage our management expertise and well-recognized brands through strategic partnerships and international expansion opportunities. We feel that several of our brands, particularly the "MGM Grand," "Bellagio," and "Skylofts" brands, are well suited to new projects in both gaming and non-gaming developments. We may undertake these opportunities either alone or in cooperation with one or more third parties.

MGM National Harbor

The Maryland Video Lottery Facility Location Commission has awarded the Company's subsidiary developing MGM National Harbor a license to build and operate a destination casino resort in Prince George's County at National Harbor, which is a waterfront development located on the Potomac River just outside of Washington D.C. The expected cost to develop and construct MGM National Harbor is approximately \$1.3 billion, excluding capitalized interest and land-related costs. The Company expects the resort to include a casino with approximately 3,600 slots and 160 table games including poker; a 300-room hotel with luxury spa and rooftop

pool; 93,100 square feet of high-end branded retail and fine and casual dining; a 3,000-seat theater venue; 50,000 square feet of meeting and event space; and a 4,700-space parking garage. MGM National Harbor is expected to open in the fourth quarter of 2016.

MGM Springfield

A subsidiary of the Company was awarded a casino license to build and operate MGM Springfield in Springfield, Massachusetts. MGM Springfield will be developed on approximately 14 acres of land in downtown Springfield, Massachusetts. The Company's plans for the resort currently include a casino with approximately 3,000 slots and 100 table games including poker; a 250-room hotel; 100,000 square feet of retail and restaurant space; 44,000 square feet of meeting and event space; and a 3,375-space parking garage, with an expected development and construction cost of approximately \$865 million, excluding capitalized interest and land related costs. Construction of MGM Springfield is expected to be completed in late 2018.

T-Mobile Arena

In 2013, the Company formed Las Vegas Arena Company, LLC (the "Las Vegas Arena Company") with a subsidiary of Anschutz Entertainment Group, Inc. ("AEG") – a leader in sports, entertainment, and promotions – to design, construct, and operate an arena, located on a parcel of the Company's land between Frank Sinatra Drive and New York-New York, adjacent to the Las Vegas Strip. The Company and AEG each own 50% of Las Vegas Arena Company. Such development is estimated to cost approximately \$350 million, excluding capitalized interest and land related costs and is scheduled to open in April 2016. The Las Vegas Arena Company recently entered into a multi-year naming rights agreement with T-Mobile. T-Mobile Arena will have a limited number of exclusive founding partners which already include Coca-Cola, Cox Business, Toshiba American Business Solutions Inc. and Schneider Electric. T-Mobile Arena will seat between 18,000 and 20,000 people and is expected to host world-class events – from UFC, boxing, hockey, basketball and bull riding to high-profile awards shows and top-name concerts. Also, effective January 1, 2016, the Las Vegas Arena Company leases and operates the MGM Grand Garden Arena under a long term lease with an initial 15-year term, plus two 5-year renewal options. See Note 6 and Note 11 for additional information related to Las Vegas Arena Company.

MGM Hospitality

The Company has entered into management agreements for future non-gaming hotels, resorts and residential products in the Middle East, North Africa, India and the United States. In 2014, the Company and the Hakkasan Group formed MGM Hakkasan Hospitality ("MGM Hakkasan"), owned 50% by each member, to design, develop and manage luxury non-gaming hotels, resorts and residences under certain brands licensed from the Company and the Hakkasan Group. Upon formation, the Company contributed its management agreements for non-gaming hotels, resorts and residential projects (outside of the greater China region) under development to MGM Hakkasan. In May 2015, the Company and the Hakkasan Group mutually agreed to terminate MGM Hakkasan and the brand license from Hakkasan Group. The Company will continue to develop these projects under its brands through MGM Hospitality (a wholly owned subsidiary). Additionally, the Company will continue to develop and manage properties in the greater China region with Diaoyutai State Guesthouse, including MGM Grand Sanya.

Formation and Proposed Initial Public Offering of MGM Growth Properties, LLC ("MGP")

On October 29, 2015, we announced the formation of MGP, a newly formed subsidiary that we expect to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes. We intend to contribute the real estate associated with Mandalay Bay, The Mirage, New York-New York, Luxor, Monte Carlo, Excalibur, The Park, MGM Grand Detroit, Beau Rivage and Gold Strike Tunica (collectively, the "Properties") to a newly formed operating partnership (the "Operating Partnership"), which MGP will control through a general partner subsidiary. We also intend to incur approximately \$4 billion of debt to refinance a portion of the debt outstanding under our existing senior credit facility and senior notes, which refinancing debt would be assumed by the Operating Partnership in connection with the REIT transaction. One of our subsidiaries will then lease the Properties from MGP for use under a long-term, "triple net" master lease agreement with an initial 10-year term that includes four five-year extensions at our option. We will guarantee our subsidiary's obligations under the master lease. We expect to retain through subsidiaries an approximate 70% economic interest in the new Operating Partnership, as well as voting control of MGP through our ownership of a controlling share in MGP.

We also announced that MGP had submitted a draft confidential registration statement with the Securities and Exchange Commission ("SEC") relating to its proposed initial public offering ("IPO") of shares, the proceeds of which would be used to purchase an approximate 30% economic interest in the Operating Partnership. The transaction is expected to be completed in the first half of 2016, subject to regulatory approvals, including receipt of approvals from gaming regulators, MGP's registration statement on Form S-11 being declared effective by the SEC, completion of the related financings needed to fund MGP, general market conditions and other customary conditions. MGP is expected to file the REIT election with its tax return for the calendar year ending December