MGM Resorts International
Form 10-K
February 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] 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	88-0215232
(State or other jurisdiction of incorporation or organization)	(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 X 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 X

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 X 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 X 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:
X

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 X 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 X

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.

PART I

ITEM 1. BUSINESS

MGM Resorts International is referred to as the "Company," "MGM Resorts," or the "Registrant," and together with its subsidiaries may also be referred to as "we," "us" or "our." MGM China Holdings Limited together with its subsidiaries is referred to as "MGM China."

Overview

Vision, Mission and Strategies

MGM Resorts International's vision is to be the best-in-class operator of integrated destination resorts that deliver high-quality entertainment, gaming and hospitality experiences.

Our mission is to create memorable experiences that engage, entertain, and inspire our guests through our diverse and talented people and our portfolio of brands. We champion the principles of corporate social responsibility while serving our guests, employees, communities and stakeholders worldwide.

The following are our strategic objectives:

- Drive operational and capital structure improvements to enhance shareholder value;
- Enhance our culture and approach to operations to better leverage investments in critical foundational competencies that support a high performance organization;
- Identify and execute on expansion and development opportunities in key domestic and international markets to grow global presence; and
- Continue to solidify our reputation as a global leader in the practice of corporate social responsibility to sustain long-term shareholder value.

Reportable Segments

We have two reportable segments based on the similar characteristics of the operating segments within the regions in which they operate: wholly owned domestic resorts and MGM China. We currently operate 12 wholly owned resorts in the United States. MGM China's operations consist of the MGM Macau resort and casino ("MGM Macau") and the development of an integrated casino, hotel, and entertainment resort on the Cotai Strip in Macau. We have additional business activities including our investments in unconsolidated affiliates, and certain other corporate and management operations. CityCenter Holdings, LLC ("CityCenter") is our most significant unconsolidated affiliate, which we also manage for a fee. See "Resort Operations" below, as well as "Executive Overview" in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 16 in the accompanying notes to the consolidated financial statements, for additional information related to our segments.

Resort Operations

General

Our casino resorts offer gaming, hotel, convention, dining, entertainment, retail and other resort amenities. We believe we own or invest in several of the finest casino resorts in the world and we continually reinvest in our resorts to maintain our competitive advantage. We make significant investments in our resorts through newly remodeled hotel rooms, restaurants, entertainment and nightlife offerings, as well as other new features and amenities. Most of our revenue is cash-based, through customers wagering with cash or paying for non-gaming services with cash or credit cards. We rely heavily on the ability of our resorts to generate operating cash flow to fund capital expenditures, provide excess cash flow for future development and repay debt financings.

We believe we operate the highest quality resorts in each of the markets in which we operate. As discussed above, ensuring our resorts are the premier resorts in their respective markets requires capital investments to maintain the best possible experiences for our guests. The quality of our resorts and amenities can be measured by our success in winning numerous awards, both domestic and globally, including several Four and Five Diamond designations from the American Automobile Association as well as multiple Four and Five Star designations from Forbes Travel Guide.

Our results of operations do not tend to be seasonal in nature, though a variety of factors may affect the results of any interim period, including the timing of major conventions, the amount and timing of marketing and special events for our high-end gaming customers, and the level of play during major holidays, including New Year and Chinese New Year. While our results do not depend on key individual customers, a significant portion of our operating income is generated from high-end gaming customers, which can cause variability in our results. In addition, our success in marketing to customer groups such as convention customers and the financial health of customer segments such as business travelers or high-end gaming customers from a specific country or region can affect our results.

All of our casino resorts operate 24 hours a day, every day of the year, with the exception of Grand Victoria which operates 22 hours a day, every day of the year. At our wholly owned domestic resorts, our primary casino and hotel operations are owned and managed by us. Other resort amenities may be owned and operated by us, owned by us but managed by third parties for a fee, or leased to third parties. We utilize third-party management for specific expertise in operations of restaurants and nightclubs. We lease space to retail and food and beverage operators, particularly for branding opportunities and when capital investment by us is not desirable or feasible.

Our Operating Resorts

We have provided certain information below about our resorts as of December 31, 2015. Except as otherwise indicated, we wholly own and operate the resorts shown below.

Name and Location	Number of Guestrooms and Suites	Approximate Casino Square Footage (1)	Slots (2)	Gaming Tables (3)
Wholly Owned Domestic Resorts:				
Las Vegas				
Bellagio	3,933	156,000	1,915	145
MGM Grand Las Vegas (4)	6,141	153,000	1,695	128
Mandalay Bay (5)	4,752	160,000	1,351	82
The Mirage	3,044	100,000	1,318	81
Luxor	4,400	116,000	1,069	58
Excalibur	3,981	95,000	1,217	52
New York-New York	2,024	90,000	1,254	72
Monte Carlo	2,992	87,000	1,172	65
Circus Circus Las Vegas	3,763	98,000	1,320	43
Other				
MGM Grand Detroit (Detroit, Michigan) (6)	400	127,000	3,561	121
Beau Rivage (Biloxi, Mississippi)	1,740	74,000	1,831	80
Gold Strike (Tunica, Mississippi)	1,133	53,000	1,229	58
Subtotal	38,303	1,309,000	18,932	985
MGM China:				
MGM Macau – 51% owned (Macau S.A.R.)	579	274,000	1,272	417
Other Operations:				

CityCenter – 50% owned (Las Vegas, Nevada) (7)	5,891	140,000	1,626	124
Borgata – 50% owned (Atlantic City, New Jersey) (8)	2,767	161,000	3,026	184
Grand Victoria – 50% owned (Elgin, Illinois) (9)	–	30,000	1,100	29
Subtotal	8,658	331,000	5,752	337
Grand total	47,540	1,914,000	25,956	1,739

(1) Casino square footage is approximate and includes the gaming floor, race and sports, high limit areas and casino specific walkways, and excludes casino cage and other non-gaming space within the casino area.
(2) Includes slot machines, video poker machines and other electronic gaming devices.
(3) Includes blackjack (“21”), baccarat, craps, roulette and other table games; does not include poker.
(4) Includes 1,148 rooms at The Signature at MGM Grand Las Vegas.
(5) Includes 1,117 rooms at the Delano and 424 rooms at the Four Seasons Hotel.
(6) Our local investors have an ownership interest of approximately 3% of MGM Grand Detroit.
(7) Includes Aria with 4,004 rooms and Mandarin Oriental Las Vegas with 392 rooms. Vdara includes 1,495 condo-hotel units. As of December 31, 2015, 147 units have been sold and closed, of which 66 units were contracted to participate in a hotel rental program managed by CityCenter. The remaining 1,348 unsold units are being utilized as company-owned hotel rooms. The other 50% of CityCenter is owned by Infinity World Development Corp.
(8) The other 50% of Borgata is owned by Boyd Gaming Corporation, which also operates the resort.
(9) The other 50% of Grand Victoria is owned by an affiliate of Hyatt Gaming, which also operates the resort.

More detailed information about each of our operating resorts can be found in Exhibit 99.1 to this Annual Report on Form 10-K, which Exhibit is incorporated herein by reference.

Wholly owned domestic resorts. Over half of the net revenue from our wholly owned domestic resorts is derived from non-gaming operations, including hotel, food and beverage, entertainment and other non-gaming amenities. We market to different customers and utilize our significant convention and meeting facilities to allow us to maximize hotel occupancy and customer volumes during off-peak times such as mid-week or during traditionally slower leisure travel periods, which also leads to better labor utilization. Our operating results are highly dependent on the volume of customers at our resorts, which in turn affects the price we can charge for our hotel rooms and other amenities.

Our casino operations feature a variety of slots, table games, and race and sports book wagering. In addition, we offer our premium players access to high-limit rooms and lounge experiences where players may enjoy an upscale atmosphere.

MGM China. We own a 51% controlling interest in MGM China Holdings Limited (“MGM China”), which owns MGM Grand Paradise, S.A. (“MGM Grand Paradise”), the Macau company that owns and operates the MGM Macau resort and casino and the related gaming subconcession and land concession. We believe our ownership interest in MGM China plays an important role in extending our reach internationally and will foster future growth and profitability. Macau is the world’s largest gaming destination in terms of revenue and we expect future growth in the Asian gaming market.

Our current MGM China operations relate to MGM Macau and the development of an integrated casino, hotel, and entertainment resort on the Cotai Strip in Macau, discussed further below. Revenues at MGM Macau are generated primarily from gaming operations which are conducted under a gaming subconcession held by MGM Grand Paradise. The Macau government has granted three gaming concessions and each of these concessionaires has granted a subconcession. The MGM Grand Paradise gaming subconcession was granted by Sociedade de Jogos de Macau, S.A., and expires in 2020. The Macau government currently prohibits additional concessions and subconcessions, but does not place a limit on the number of casinos or gaming areas operated by the concessionaires and subconcessionaires, though additional casinos require government approval prior to commencing operations.

In October 2012, MGM Grand Paradise formally accepted the terms and conditions of a land concession contract from the government of Macau to develop a resort and casino on an approximately 18 acre site on the Cotai Strip in Macau (“MGM Cotai”). The land concession contract became effective when the Macau government published the agreement in the Official Gazette of Macau on January 9, 2013 and has an initial term of 25 years. Under the terms of the land concession contract, MGM Grand Paradise is required to build and open MGM Cotai by January 2018.

Construction of MGM Cotai commenced in 2013 and it is anticipated to open at the end of the first quarter of 2017. China State Construction Engineering Corporation serves as the sole general contractor for the project. MGM Cotai will be an integrated casino, hotel and entertainment resort with capacity for up to 500 gaming tables and up to 1,500 slots, and featuring approximately 1,500 hotel rooms. The actual number of gaming tables allocated to MGM Cotai will be determined by the Macau government prior to opening, and such allocation may be less than our 500 gaming table capacity. The total estimated project budget is $3.0 billion, excluding development fees eliminated in consolidation, capitalized interest and land related costs.

Customers and Competition

Our casino resorts operate in highly competitive environments. We compete against gaming companies, as well as other hospitality companies in the markets we operate in, neighboring markets, and in other parts of the world, including non-gaming resort destinations such as Hawaii. Our gaming operations compete to a lesser extent with state-sponsored lotteries, off-track wagering, card parlors, online gambling and other forms of legalized gaming in the United States and internationally.

Our primary methods of successful competition include:

- Locating our resorts in desirable leisure and business travel markets and operating at superior sites within those markets;
- Constructing and maintaining high-quality resorts and facilities, including luxurious guestrooms, state-of-the-art convention facilities and premier dining, entertainment, retail and other amenities;
- Recruiting, training and retaining well-qualified and motivated employees who provide superior customer service;
- Providing unique, “must-see” entertainment attractions; and
- Developing distinctive and memorable marketing, promotional and customer loyalty programs.

Wholly owned domestic resorts. Our customers include premium gaming customers; leisure and wholesale travel customers; business travelers, and group customers, including conventions, trade associations, and small meetings. We have a complete portfolio of resorts which appeal to the upper end of each market segment and also cater to leisure and value-oriented tour and travel customers. Many of our resorts have significant convention and meeting space which we utilize to drive business to our resorts during mid-week and off-peak periods.

Our Las Vegas casino resorts compete for customers with a large number of other hotel casinos in the Las Vegas area, including major hotel casinos on or near the Las Vegas Strip, major hotel casinos in the downtown area, which is about five miles from the center of the Strip, and several major hotel casinos elsewhere in the Las Vegas area. Our Las Vegas Strip resorts also compete, in part, with each other. According to the Las Vegas Convention and Visitors Authority, there were approximately 149,200 and 150,500 guestrooms in Las Vegas at December 31, 2015 and 2014, respectively. At December 31, 2015, we operated approximately 27% of the guestrooms in Las Vegas. Las Vegas visitor volume was 42.3 million in 2015, a 2.9% increase from the 41.1 million reported for 2014. Major competitors, including new entrants, have either recently expanded their hotel room capacity or are currently expanding their capacity or constructing new resorts in Las Vegas. Also, the growth of gaming in areas outside Las Vegas has increased the competition faced by our operations in Las Vegas.

Outside Nevada, our resorts primarily compete with other hotel casinos in their markets and for customers in surrounding regional gaming markets, where location is a critical factor to success. In addition, we compete with gaming operations in surrounding jurisdictions and other leisure destinations in each region. For example, in Detroit, Michigan we compete with a casino in nearby Windsor, Canada and with Native American casinos in Michigan. In Biloxi, Mississippi we compete with regional riverboat and land-based casinos in Louisiana, Native American casinos in central Mississippi and with casinos in Florida and the Bahamas.

MGM China. The three primary customer segments in the Macau gaming market are VIP casino gaming operations, main floor gaming operations and slot machine operations. VIP gaming play is sourced both internally and externally. Externally sourced VIP gaming play is obtained through external gaming promoters who offer VIP players various services, such as extension of credit as well as complimentary hotel, food and beverage services. Gaming promoters operate VIP gaming rooms within the property. In exchange for their services, gaming promoters are compensated through payment of revenue-sharing arrangements or rolling chip turnover based commissions. In-house VIP players also typically receive a commission based on the program in which they participate. These clientele are acquired through our direct marketing efforts. Unlike gaming promoters and in-house VIP players, main floor players do not receive commissions. The profit contribution from the main floor segment exceeds the VIP segment due to commission costs paid to gaming promoters. Gaming revenues from the main gaming floors have grown significantly in recent years and we believe this segment represents the most potential for sustainable growth in the future. To target premium main floor players in order to grow revenue and improve yield, we have introduced premium gaming lounges and stadium-style electronic table games terminals, which include both table games and slots, to the main floor gaming area. The amenities create a dedicated exclusive gaming space for the use of premium main floor players.

Our key competitors in Macau include five other gaming concessionaires and subconcessionaires. If the Macau government were to grant additional concessions or subconcessions, we would face additional competition which could have a material adverse effect on our financial condition, results of operations or cash flows. Additionally, we face competition at our Macau and Cotai properties from several concessionaires who have expansion plans announced or underway, primarily on the Cotai Strip with several expected openings in 2016 and 2017.

We expect competition in the Macau market to continue to increase, as more capacity is brought online in the near future. We also encounter competition from major gaming centers located in other areas of Asia and around the world, including Singapore, Malaysia, the Philippines, Australia, New Zealand, Las Vegas, cruise ships in Asia that offer gaming and from unlicensed gaming operations in the region.

Corporate and other. Much like our wholly owned resorts, our unconsolidated affiliates compete through the quality of amenities, the value of the experience offered to guests and the location of their resorts. Aria, which we manage and own 50% through CityCenter, appeals to the upper end of each segment in the Las Vegas market and competes with our wholly owned casino resorts and other resorts on the Las Vegas Strip. Our other unconsolidated affiliates mainly compete for customers against casino resorts in their respective markets.

Marketing

Our marketing efforts are conducted through various means, including our loyalty programs as discussed further below. We advertise on radio, television, internet and billboards and in newspapers and magazines in selected cities throughout the United States and overseas, as well as by direct mail, email and through the use of social media. We also advertise through our regional marketing offices located in major U.S. and foreign cities. A key element of marketing to premium gaming customers is personal contact by our marketing personnel. Direct marketing is also important in the convention segment. We maintain websites to inform customers about our resorts and allow our customers to reserve hotel rooms, make restaurant reservations and purchase show tickets. We actively utilize several social media sites to promote our brands, unique events, and special deals.

Wholly owned domestic resorts. M life, our customer loyalty program, is a broad-based program recognizing and rewarding customer spending across many channels focusing on wallet share capture and increased loyalty through unique and exclusive benefits and rewards. M life provides access to rewards, privileges, and members-only events. M life is a tiered program and allows customers to qualify for benefits across our participating resorts and in both gaming and non-gaming areas, encouraging customers to keep their total spend within our casino resorts. Members may earn points and/or Express Comps for their gaming play which can be redeemed at restaurants, box offices or the M life front desk at participating properties. Points may also be redeemed for free slot play on participating machines. Members can utilize the M life website, www.mlife.com, to see offers, tier levels and point and Express Comps balances.

M life utilizes advanced analytic techniques that identify customer preferences and help predict future customer behavior, allowing us to make more relevant offers to members, influence incremental visits, and help build lasting customer relationships. In addition to the loyalty program, we issue a company magazine - M life Magazine - to highlight customers' experiences and showcase "Moments" that members can redeem through the accumulation of Express Comps.

We also utilize our world-class golf courses in marketing programs at our Las Vegas Strip resorts. Our major Las Vegas resorts offer luxury suite packages that include golf privileges at Shadow Creek in North Las Vegas. In connection with our marketing activities, we also invite our premium gaming customers to play Shadow Creek on a complimentary basis. Additionally, marketing efforts at Beau Rivage in Biloxi, Mississippi benefit from the Fallen Oak golf course located 20 minutes north of Beau Rivage.

MGM China. MGM Macau's loyalty program is the Golden Lion Club, a tiered program which meets the needs of a range of members from lower spending leisure and entertainment customers through the highest level VIP cash players. The structured rewards system based on member value and tiers ensures that customers can progressively access the full range of services that the resort provides. The program is aspirational by design and transparent in its rewards, encouraging members to increase both visitation and spend. In addition to the rewards offered to Golden Lion Club members, MGM Macau has developed dedicated gaming and non-gaming areas to reflect different levels of rated play. Information from the Golden Lion Club is used to analyze customer usage by segment and individual player profile.

In addition to the Golden Lion Club program, MGM Macau has also created and continues to expand several luxurious private gaming salons that provide distinctive, high-end environments for the VIP players brought to the resort through gaming promoters and the in-house VIP marketing team. MGM Macau has created a variety of incentive programs to reward gaming promoters for increased business and efficiency.

Technology

We utilize various types of technology to maximize revenue, drive efficiency in our operations, and serve our customers more effectively. We continue to move forward on standardizing the technology platforms for several of our key operational systems. The standardization of these systems will afford us efficiencies in operations and integration with future technology. These systems capture charges made by our customers during their stay, including allowing customers of our resorts to charge meals and services at our other local resorts to their hotel folio. Additionally, we utilize yield management programs at our resorts that help us maximize occupancy and room rates.

We continue to enhance our eCommerce platform, which is critical to our digital platforms that support our domestic portfolio of casino resorts. Our eCommerce platform provides our guests and business partners a premier digital experience where they have the ability to create an all-inclusive experience, from accommodations to dining to shows with real time recommendations provided based on the guests' shopping experience. Available through our domestic resorts' individual websites and our loyalty program website (www.mlife.com), the eCommerce platform gives guests the power to customize a complete itinerary from our full portfolio of experiences, all in one place. In addition, this platform also provides our contact center agents in Las Vegas a unified and integrated customer service application, allowing our agents to provide fast, efficient, and pertinent service to our guests.

Employees and Management

We believe that knowledgeable, friendly and dedicated employees are a key success factor in the hospitality industry. Therefore, we invest heavily in recruiting, training, motivating and retaining exceptional employees, and we seek to hire and promote the strongest management team possible. We have numerous programs, both at the corporate and business unit level, designed to achieve these objectives. We believe our internal development programs, such as the MGM Resorts University and various leadership and management training programs, are best in class among our industry peers.

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

31, 2016. We may, at any time and for any reason until the proposed transaction is complete, abandon the transaction or modify or change the terms of the transaction.

Although the number of shares that will be sold to the public in connection with the proposed IPO has not been determined, we expect that we will continue to consolidate MGP's results of operations with our business for accounting purposes upon the completion of the proposed IPO and for so long as we retain the controlling share in MGP. The minority interest that we do not own following the completion of the proposed IPO will be reflected in our consolidated balance sheets as "non-controlling interests" and such interest's proportionate share of MGP's net income or losses will be reflected in our consolidated statements of operations as "net income (loss) attributable to non-controlling interests." We have no current intention to dispose of our controlling share of MGP or our economic interests in the operating partnership.

Intellectual Property

Our principal intellectual property consists of trademarks for, among others, Bellagio, The Mirage, Mandalay Bay, MGM, MGM Grand, MGM Resorts International, Luxor, Excalibur, New York-New York, Circus Circus and Beau Rivage, all of which have been registered or allowed in various classes in the United States. In addition, we have also registered or applied to register numerous other trademarks in connection with our properties, facilities and development projects in the United States and in various other foreign jurisdictions. These trademarks are brand names under which we market our properties and services. We consider these brand names to be important to our business since they have the effect of developing brand identification. We believe that the name recognition, reputation and image that we have developed attract customers to our facilities. Once granted, our trademark registrations are of perpetual duration so long as they are used and periodically renewed. It is our intent to pursue and maintain our trademark registrations consistent with our goals for brand development and identification, and enforcement of our trademark rights.

Employees and Labor Relations

As of December 31, 2015, we had approximately 44,600 full-time and 14,900 part-time employees domestically, of which 6,100 and 2,300, respectively, support the Company's management agreements with CityCenter. In addition, we had approximately 5,900 employees at MGM Macau. We had collective bargaining contracts with unions covering approximately 29,900 of our employees as of December 31, 2015. In November 2013, Las Vegas union employees approved new collective bargaining agreements covering most of our Las Vegas union employees; these agreements expire in 2018. Pursuant to the terms of the Company's labor agreements for its 10 Las Vegas properties, the Local Joint Executive Board of Las Vegas (Culinary and Bartenders Unions) and the Company will re-open its collective bargaining agreements. The purpose of these discussions includes wage negotiation, the funding of benefit funds for the remainder of the contract term, and alternative business and financial models for operating food and beverage venues. In December 2015, Detroit union employees, represented by the Detroit Casino Council, approved a new five-year collective bargaining agreement. Gold Strike Tunica is currently engaged in bargaining for a first labor contract with a council of unions representing various hotel and food and beverage constituencies. As of December 31, 2015, none of the employees of MGM Macau are part of a labor union and the resort is not party to any collective bargaining agreements. We consider our employee relations to be good.

Regulation and Licensing

The gaming industry is highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules and regulations of the jurisdiction in which it is located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers, and persons with financial interest in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

A more detailed description of the gaming regulations to which we are subject is contained in Exhibit 99.2 to this Annual Report on Form 10-K, which Exhibit is incorporated herein by reference.

Our businesses are subject to various federal, state, local and foreign laws and regulations affecting businesses in general. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, smoking, employees, currency transactions, taxation, zoning and building codes (including regulations under the Americans with Disabilities Act, which requires all public accommodations to meet certain federal requirements related to access and use by disabled persons), construction, land use and marketing and advertising. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

In addition, we are subject to certain federal, state and local environmental laws, regulations and ordinances, including the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Oil Pollution Act of 1990. Under various federal, state and local laws and regulations, an owner or operator of real property may be held liable for the costs of removal or remediation of certain hazardous or toxic substances or wastes located on its property, regardless of whether or not the present owner or operator knows of, or is responsible for, the presence of such substances or wastes. We have not identified any issues associated with our properties that could reasonably be expected to have an adverse effect on us or the results of our operations.

Cautionary Statement Concerning Forward-Looking Statements

This Form 10-K and our 2015 Annual Report to Stockholders contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “will,” “may” and similar references to fu periods. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability and ultimate decision to complete the REIT transaction and related financing transactions, the anticipated terms of any such REIT transaction, including the terms of the master lease, and the realization of any potential advantages, benefits and the impact of, and opportunities created by, the REIT transaction; expected market growth in Macau; our ability to generate significant cash flow and execute on ongoing and future projects, such as the Profit Growth Plan, and the expected results of the Profit Growth Plan; amounts we will spend in capital expenditures and investments; the opening of strategic resort and other developments and the estimated costs and expected components associated with those developments; and dividends and distributions we will receive from MGM China or CityCenter. The foregoing is not a complete list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive, market, and regulatory conditions and the following:

- our substantial indebtedness and significant financial commitments could adversely affect our operations and financial results and impact our ability to satisfy our obligations;
- current and future economic and credit market conditions could adversely affect our ability to service or refinance our indebtedness and to make planned expenditures and investments as well as strategic initiatives such as the proposed REIT transaction;
- restrictions and limitations in the agreements governing our senior credit facility and other senior indebtedness could significantly affect our ability to operate our business, as well as significantly affect our liquidity;
- risks associated with our proposed REIT transaction;

- significant competition we face with respect to destination travel locations generally and with respect to our peers in the industries in which we compete;
- the fact that our businesses are subject to extensive regulation and the cost of compliance or failure to comply with such regulations could adversely affect our business, including whether or when we may be able to complete the proposed REIT transaction;
- the impact on our business of economic and market conditions in the markets in which we operate and in the locations in which our customers reside;
- the fact that we may not realize all of the anticipated benefits of our Profit Growth Plan;
- restrictions on our ability to have any interest or involvement in gaming businesses in China, Macau, Hong Kong and Taiwan, other than through MGM China;
- the ability of the Macau government to terminate MGM Grand Paradise's gaming subconcession under certain circumstances without compensating MGM Grand Paradise or refuse to grant MGM Grand Paradise an extension of the subconcession, which is scheduled to expire on March 31, 2020;
- our ability to build and open our development in Cotai, which is expected to be completed at the end of the first quarter of 2017;
- the dependence of MGM Macau upon gaming promoters for a significant portion of gaming revenues in Macau;
- our ability to recognize our foreign tax credit deferred asset and the variability of the valuation allowance we may apply against such deferred tax asset;
- extreme weather conditions or climate change may cause property damage or interrupt business;
- the concentration of a majority of our major gaming resorts on the Las Vegas Strip;
- the fact that we extend credit to a large portion of our customers and we may not be able to collect gaming receivables;

- the potential occurrence of impairments to goodwill, indefinite-lived intangible assets or long-lived assets which could negatively affect future profits;
- the susceptibility of leisure and business travel, especially travel by air, to global geopolitical events, such as terrorist attacks or acts of war or hostility, and to disease epidemics;
- the fact that co-investing in properties, including our investment in CityCenter, decreases our ability to manage risk;
- the fact that future construction, development or expansion projects will be susceptible to substantial development and construction risks;
- the fact that our insurance coverage may not be adequate to cover all possible losses that our properties could suffer, our insurance costs may increase and we may not be able to obtain similar insurance coverage in the future;
- the fact that a failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business;
- the risks associated with doing business outside of the United States and the impact of any potential violations of the Foreign Corrupt Practices Act or other similar anti-corruption laws;
- risks related to pending claims that have been, or future claims that may be, brought against us;
- the fact that a significant portion of our labor force is covered by collective bargaining agreements;
- the sensitivity of our business to energy prices and a rise in energy prices could harm our operating results;
- the potential that failure to maintain the integrity of our computer systems and internal customer information could result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or other restrictions on our use or transfer of data;
- increases in gaming taxes and fees in the jurisdictions in which we operate;
- the fact that acquisitions, dispositions or other investments we may seek to pursue in the future may be unsuccessful; and
- the potential for conflicts of interest to arise because certain of our directors and officers are also directors of MGM China, which is now a publicly traded company listed on the Hong Kong Stock Exchange.

Any forward-looking statement made by us in this Form 10-K or our 2015 Annual Report to Stockholders speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. If we update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

Executive Officers of the Registrant

The following table sets forth, as of February 29, 2016, the name, age and position of each of our executive officers. Executive officers are elected by and serve at the pleasure of the Board of Directors.

Name	Age	Position
James J. Murren	54	Chairman and Chief Executive Officer
Robert H. Baldwin	65	Chief Customer Development Officer
William J. Hornbuckle	58	President
Corey I. Sanders	52	Chief Operating Officer
Daniel J. D'Arrigo	47	Executive Vice President, Chief Financial Officer and Treasurer
Phyllis A. James	63	Executive Vice President, Special Counsel – Litigation and Chief Diversity Officer
John M. McManus	48	Executive Vice President, General Counsel and Secretary
Robert C. Selwood	60	Executive Vice President and Chief Accounting Officer

Mr. Murren has served as Chairman and Chief Executive Officer of the Company since December 2008 and as President from December 1999 to December 2012. He served as Chief Operating Officer from August 2007 through December 2008. He was Chief Financial Officer from January 1998 to August 2007 and Treasurer from November 2001 to August 2007.

Mr. Baldwin has served as Chief Customer Development Officer since August 2015. He served as Chief Design and Construction Officer from August 2007 to August 2015, Chief Executive Officer of Mirage Resorts from June 2000 to August 2007 and President and Chief Executive Officer of Bellagio, LLC from June 1996 to March 2005.

Mr. Hornbuckle has served as President since December 2012. He served as Chief Marketing Officer from August 2009 to August 2014 and President and Chief Operating Officer of Mandalay Bay Resort & Casino from April 2005 to August 2009.

Mr. Sanders has served as Chief Operating Officer since September 2010. He served as Chief Operating Officer for the Company’s Core Brand and Regional Properties from August 2009 to September 2010, as Executive Vice President—Operations from August 2007 to August 2009, as Executive Vice President and Chief Financial Officer for MGM Grand Resorts from April 2005 to August 2007.

Mr. D’Arrigo has served as Executive Vice President and Chief Financial Officer since August 2007 and as Treasurer since September 2009. He served as Senior Vice President—Finance of the Company from February 2005 to August 2007 and as Vice President—Finance of the Company from December 2000 to February 2005.

Ms. James has served as Executive Vice President and Special Counsel—Litigation since July 2010 and as Chief Diversity Officer since 2009. She served as Senior Vice President, Deputy General Counsel of the Company from March 2002 to July 2010.

Mr. McManus has served as Executive Vice President, General Counsel and Secretary since July 2010. He served as Senior Vice President, Acting General Counsel and Secretary of the Company from December 2009 to July 2010. He served as Senior Vice President, Deputy General Counsel and Assistant Secretary from September 2009 to December 2009. He served as Senior Vice President, Assistant General Counsel and Assistant Secretary of the Company from July 2008 to September 2009. He served as Vice President and General Counsel for CityCenter’s residential and retail divisions from January 2006 to July 2008.

Mr. Selwood has served as Executive Vice President and Chief Accounting Officer since August 2007. He served as Senior Vice President—Accounting of the Company from February 2005 to August 2007 and as Vice President—Accounting of the Company from December 2000 to February 2005.

Available Information

We maintain a website at www.mgmresorts.com that includes financial and other information for investors. We provide access to our SEC filings, including our annual report on Form 10-K and quarterly reports on Form 10-Q (including related filings in XBRL format), filed and furnished current reports on Form 8-K, and amendments to those reports on our website, free of charge, through a link to the SEC's EDGAR database. Through that link, our filings are available as soon as reasonably practicable after we file or furnish the documents with the SEC.

These filings are also available on the SEC's website at www.sec.gov. In addition, the public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549 and may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Because of the time differences between Macau and the United States, we also use our corporate website as a means of posting important information about MGM China.

Reference in this document to our website address does not incorporate by reference the information contained on the website into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

You should be aware that the occurrence of any of the events described in this section and elsewhere in this report or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below.

Risks Relating to Our Substantial Indebtedness

- Our substantial indebtedness and significant financial commitments could adversely affect our operations and financial results and impact our ability to satisfy our obligations. As of December 31, 2015, we had approximately $12.8 billion principal amount of indebtedness outstanding, including $2.7 billion of borrowings outstanding under our senior secured credit facility and $1.2 billion of available borrowing capacity. Any increase in the interest rates applicable to our existing or future borrowings would increase the cost of our indebtedness and reduce the cash flow available to fund our other liquidity needs. In addition, as of December 31, 2015, MGM China had approximately $1.6 billion of debt outstanding under its credit facility. Furthermore, in January 2016, our subsidiary MGM National Harbor, LLC entered into a $525 million senior secured credit facility consisting of a $425 million delayed draw term loan, of which $250 million was funded at closing, and a $100 million revolver. We do not guarantee MGM China's or MGM National Harbor, LLC's obligations under their respective credit agreements and, to the extent MGM Macau or MGM National Harbor, LLC were to cease to produce cash flow sufficient to service their indebtedness, our ability to make additional investments into such entities is limited by the covenants in our existing senior secured credit facility.

In addition, our substantial indebtedness and significant financial commitments could have important negative consequences on us, including:

- increasing our exposure to general adverse economic and industry conditions;
- limiting our flexibility to plan for, or react to, changes in our business and industry;
- limiting our ability to borrow additional funds;
- making it more difficult for us to make payments on our indebtedness; or
- placing us at a competitive disadvantage compared to less-leveraged competitors.

Moreover, our businesses are capital intensive. For our owned and managed resorts to remain attractive and competitive, we must periodically invest significant capital to keep the properties well-maintained, modernized and refurbished. Such investment requires an ongoing supply of cash and, to the extent that we cannot fund expenditures from cash generated by operations, funds must be borrowed or otherwise obtained. Similarly, development projects, including the T-Mobile Arena project and our development projects in Massachusetts and Maryland, and acquisitions could require significant capital commitments, the incurrence of additional debt, guarantees of third-party debt, or the incurrence of contingent liabilities, any or all of which could have an adverse effect on our business, financial condition and results of operations.

- Current and future economic and credit market conditions could adversely affect our ability to service or refinance our indebtedness and to make planned expenditures. Our ability to make payments on, and to refinance, our indebtedness and to fund planned or committed capital expenditures and investments depends on our ability to generate cash flow in the future, receive distributions from our unconsolidated affiliates or subsidiaries, including MGM China, borrow under our senior secured credit facility or incur new indebtedness. If regional and national economic conditions deteriorate we could experience decreased revenues from our operations attributable to decreases in consumer spending levels and could fail to generate sufficient cash to fund our liquidity needs or fail to satisfy the financial and other restrictive covenants in our debt instruments. We cannot assure you that our business will generate sufficient cash flow from operations, continue to receive distributions from our unconsolidated affiliates or subsidiaries, including MGM China, that future borrowings will be available to us under our senior secured credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs or that we will be able to access the capital markets in the future to borrow additional indebtedness on terms that are favorable to us.

We have a significant amount of indebtedness maturing in 2016, and thereafter. Our ability to timely refinance and replace our indebtedness in the future will depend upon the economic and credit market conditions discussed above. If we are unable to refinance our indebtedness on a timely basis, we might be forced to seek alternate forms of financing, dispose of certain assets or minimize capital expenditures and other investments. There is no assurance that any of these alternatives would be available to us, if at all, on satisfactory terms, on terms that would not be disadvantageous to us, or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements.

- The agreements governing our senior secured credit facility and other senior indebtedness contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity, and therefore could adversely affect our results of operations. Covenants governing our senior secured credit facility and certain of our debt securities restrict, among other things, our ability to:

- pay dividends or distributions, repurchase or issue equity, prepay certain debt or make certain investments;
- incur additional debt;
- incur liens on assets;
- sell assets or consolidate with another company or sell all or substantially all of our assets;
- enter into transactions with affiliates;
- allow certain subsidiaries to transfer assets; and
- enter into sale and lease-back transactions.

Our ability to comply with these provisions may be affected by events beyond our control. The breach of any such covenants or obligations not otherwise waived or cured could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross-defaults under other agreements governing our long-term indebtedness. Any default under our senior secured credit facility or the indentures governing our other debt could adversely affect our growth, our financial condition, our results of operations and our ability to make payments on our debt.

In addition, MGM Grand Paradise and MGM China are co-borrowers under an amended and restated credit facility and MGM National Harbor, LLC is the borrower under a senior secured credit facility, each of which contains covenants that restrict their ability to engage in certain transactions. In particular, the MGM China credit facility and the MGM National Harbor, LLC senior secured credit facility require MGM China and MGM National Harbor, LLC, as applicable, to satisfy various financial covenants, including a maximum consolidated total leverage ratio and minimum interest coverage ratio. These agreements also impose certain operating and financial restrictions on MGM China and MGM National Harbor, LLC, and each of their subsidiaries (including, with respect to MGM China, MGM Grand Paradise), including, among other things, limitations on their ability to pay dividends or distributions to us, incur additional debt, make investments or engage in other businesses, merge or consolidate with other companies, or transfer or sell assets.

Risks Related to our Business

- There are risks associated with our proposed REIT transaction. On October 29, 2015, we announced the formation of MGP and our intention that it elect to be taxed as a REIT for U.S. Federal income tax purposes following the proposed contribution of certain of our properties and related debt and equity financing transactions, including the IPO of MGP shares as reflected in a draft confidential registration statement filed with the SEC. Following the completion of the IPO and the filing of its election to be taxed as a REIT, MGP would be a publicly traded, controlled REIT primarily engaged in owning, acquiring and leasing large-scale casino resort properties, which include casino gaming, hotel, convention, dining, entertainment, retail and mixed-use facilities, and other resort amenities.

The completion of the proposed REIT transaction and IPO is subject to numerous conditions and the finalization of terms relating to the transactions, which are subject to a number of variables, including changes in market conditions, and may not occur on favorable terms or at all. We have not yet determined the number of shares that will be sold in the proposed IPO or the valuation of such shares. Therefore, the amount of cash we expect to raise in connection with the proposed IPO and related transactions, and the degree to which we are able to reduce our indebtedness, is uncertain.

In connection with the proposed REIT transaction and IPO:

- our stock price could fluctuate significantly in response to developments relating to the proposed REIT transaction and IPO or other action or market speculation regarding the proposed REIT transaction and IPO;
- we will incur substantial increases in general and administrative expense associated with the need to retain and compensate third-party consultants and advisors (including legal counsel);
- although we have no plan or intention of disposing of our interest in MGP and the operating partnership following the proposed transactions, to the extent that future dispositions result in our owning less than a controlling interest in MGP, MGP's financial results may no longer be consolidated with our financial results, which may materially and adversely affect our consolidated results of operations; and
- we may not complete the proposed REIT transaction and IPO, in which event we will have incurred significant expenses that we will be unable to recover, and for which we will not receive any benefit. If the

proposed IPO is completed, MGP would be a new publicly traded company. We cannot make any assurances that the proposed IPO, if completed, will increase our market value. In addition, the IPO and related transactions are subject to customary approvals and other risks, many of which are outside our control, including changes in legislation and tax rules.

- We face significant competition with respect to destination travel locations generally and with respect to our peers in the industries in which we compete, and failure to compete effectively could materially adversely affect our business, financial condition, results of operations and cash flow. The hotel, resort and casino industries are highly competitive. We do not believe that our competition is limited to a particular geographic area, and hotel, resort and gaming operations in other states or countries could attract our customers. To the extent that new casinos enter our markets or hotel room capacity is expanded by others in major destination locations, competition will increase. Major competitors, including potential new entrants, may also expand their hotel room capacity, expand their range of amenities, improve their level of service, or construct new resorts in Las Vegas and Macau, all of which could attract our customers. Also, the growth of gaming in areas outside Las Vegas, including California, has increased the competition faced by our operations in Las Vegas and elsewhere.

In addition, competition could increase if changes in gaming restrictions in the United States and elsewhere result in the addition of new gaming establishments located closer to our customers than our casinos, such as has happened in California. For example, while our Macau operations compete to some extent with casinos located elsewhere in or near Asia (including Singapore, Australia, New Zealand, cruise ships in Asia that offer gaming, and unlicensed gaming operations), certain countries in the region have legalized casino gaming (including Malaysia, Vietnam, Cambodia, the Philippines and Russia) and others (such as Japan, Taiwan and Thailand) may legalize casino gaming (or online gaming) in the future. Furthermore, currently MGM Grand Paradise holds one of only six gaming concessions authorized by the Macau government to operate casinos in Macau. If the Macau government were to allow additional competitors to operate in Macau through the grant of additional concessions or if current concessionaires and subconcessionaires open additional facilities (for example, the facilities currently being developed in Cotai, Macau are expected to increase total hotel room inventory by 30% and significantly increase other gaming and non-gaming offerings in Macau), we would face increased competition.

Most jurisdictions where casino gaming is currently permitted place numerical and/or geographical limitations on the issuance of new gaming licenses. Although a number of jurisdictions in the United States and foreign countries are considering legalizing or expanding casino gaming, in some cases new gaming operations may be restricted to specific locations and we expect that there will be intense competition for any attractive new opportunities (which may include acquisitions of existing properties) that do arise. Furthermore, certain jurisdictions, including Nevada and New Jersey, have also legalized forms of online gaming and other jurisdictions have legalized video gaming terminals. The expansion of online gaming and other types of gaming in these and other jurisdictions may further compete with our operations by reducing customer visitation and spend in our casino resorts.

In addition to competition with other hotels, resorts and casinos, we compete with destination travel locations outside of the markets in which we operate. Our failure to compete successfully in our various markets and to continue to attract customers could adversely affect our business, financial condition, results of operations and cash flow.

- Our businesses are subject to extensive regulation and the cost of compliance or failure to comply with such regulations may adversely affect our business and results of operations. Our ownership and operation of gaming facilities is subject to extensive regulation by the countries, states and provinces in which we operate. These laws, regulations and ordinances vary from jurisdiction to jurisdiction, but generally concern the responsibility, financial stability and character of the owners and managers of gaming operations as well as persons financially interested or involved in gaming operations. As such, our gaming regulators can require us to disassociate ourselves from suppliers or business partners found unsuitable by the regulators or, alternatively, cease operations in that jurisdiction. In addition, unsuitable activity on our part or on the part of our domestic or foreign unconsolidated affiliates or subsidiaries in any jurisdiction could have a negative effect on our ability to continue operating in other jurisdictions. The regulatory environment in any particular jurisdiction may change in the future and any such change could have a material adverse effect on our results of operations. In addition, we are subject to various gaming taxes, which are subject to possible increase at any time by various federal, state, local and foreign legislatures and officials. Increases in gaming taxation could also adversely affect our results. For a summary of gaming and other regulations that affect our business, see "Regulation and Licensing" and Exhibit 99.2 to this Annual Report on Form 10-K.

Further, our directors, officers, key employees and investors in our properties must meet approval standards of certain state and foreign regulatory authorities. If state regulatory authorities were to find such a person or investor unsuitable, we would be required to sever our relationship with that person or the investor may be required to dispose of his, her or its interest in the property. State regulatory agencies may conduct investigations into the conduct or associations of our directors, officers, key employees or investors to ensure compliance with applicable standards. Certain public and private issuances of securities and other transactions also require the approval of certain regulatory authorities.

In Macau, current laws and regulations concerning gaming and gaming concessions are, for the most part, fairly recent and there is little precedent on the interpretation of these laws and regulations. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from MGM China’s interpretation, which could have a material adverse effect on its business, financial condition and results of operations. In addition, MGM China’s activities in Macau are subject to administrative review and approval by various government agencies. We cannot assure you that MGM China will be able to obtain all necessary approvals, and any such failure to do so may materially affect its long-term business strategy and operations. Macau laws permit redress to the courts with respect to administrative actions; however, to date such redress is largely untested in relation to gaming issues.

In addition to gaming regulations, we are also subject to various federal, state, local and foreign laws and regulations affecting businesses in general. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, smoking, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. For instance, we are subject to certain federal, state and local environmental laws, regulations and ordinances, including the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Oil Pollution Act of 1990. Under various federal, state and local environmental laws and regulations, an owner or operator of real property may be held liable for the costs of removal or remediation of certain hazardous or toxic substances or wastes located on its property, regardless of whether or not the present owner or operator knows of, or is responsible for, the presence of such substances or wastes. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, Illinois has enacted a ban on smoking in nearly all public places, including bars, restaurants, work places, schools and casinos. Similarly, in October 2014, casinos in Macau, including MGM China, implemented a smoking ban which prohibits smoking on all mass market gaming floors and, in 2015, the Macau Health Bureau announced that they will promote the submission of a bill proposing a full smoking ban in casinos, including in VIP rooms. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.

We also deal with significant amounts of cash in our operations and are subject to recordkeeping and reporting obligations as required by various anti-money laundering laws and regulations. For instance, we are subject to regulation under the Currency and Foreign Transactions Reporting Act of 1970, commonly known as the "Bank Secrecy Act", which, among other things, requires us to report to the Internal Revenue Service ("IRS") any currency transactions in excess of $10,000 that occur within a 24-hour gaming day, including identification of the individual(s) involved in the currency transaction. We are also required to report certain suspicious activity where we know, suspect or have reason to suspect transactions, among other things, involve funds from illegal activity or are intended to evade federal regulations or avoid reporting requirements or have no business or lawful purpose. In addition, under the Bank Secrecy Act we are subject to various other rules and regulations involving reporting, recordkeeping and retention. Our compliance with the Bank Secrecy Act is subject to periodic examinations by the IRS. Any such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Any violations of the anti-money laundering laws, including the Bank Secrecy Act, or regulations by any of our properties could have an adverse effect on our financial condition, results of operations or cash flows.

- Our business is affected by economic and market conditions in the markets in which we operate and in the locations in which our customers reside. Our business is particularly sensitive to reductions in discretionary consumer spending and corporate spending on conventions, trade shows and business development. Economic contraction, economic uncertainty or the perception by our customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions, and for the type of luxury amenities we offer. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as the increased cost of travel, an unstable job market, perceived or actual disposable consumer income and wealth, outbreaks of contagious diseases or fears of war and future acts of terrorism. Consumer preferences also evolve over time due to a variety of factors, including as a result of demographic changes, which, for instance, has resulted in recent growth in consumer demand for non-gaming offerings. Our success depends in part on our ability to anticipate the preferences of consumers and react to these trends and any failure to do so may negatively impact our results of operations. Aria, Bellagio and MGM Grand Las Vegas in particular may be affected by economic conditions in the Far East, and all of our Nevada resorts are affected by economic conditions in the United States, and California in particular. A recession, economic slowdown or any other significant economic condition affecting consumers or corporations generally is likely to cause a reduction in visitation to our resorts, which would adversely affect our operating results. For example, the prior recession and downturn in consumer and corporate spending had a negative impact on our results of operations.

In addition, since we expect a significant number of customers to come to MGM Macau from mainland China, general economic and market conditions in China could impact our financial prospects. Any slowdown in economic growth or changes to China's current restrictions on travel and currency movements, including market impacts resulting from China's recent anti-corruption campaign and related tightening of liquidity provided by non-bank lending entities and cross-border currency monitoring (including increased restrictions on Union Pay withdrawals), could disrupt the number of visitors from mainland China to MGM Macau and/or the amounts they are willing to spend in the casino. For example, from 2008 through 2010, China readjusted its visa policy toward Macau and limited the number of visits that some mainland Chinese citizens may make to Macau in a given time period. In addition, effective October 2013, China banned "zero fare" tour groups involving no or low up-front payments and compulsory shopping, which were popular among visitors to Macau from mainland China and in December 2014 the Chinese government tightened the enforcement of visa transit rules for those seeking to enter Macau at the Gongbei border (including requirements to present an airplane ticket to a destination country, a visa issued by such destination country and a valid Chinese passport). It is unclear whether these and other measures will continue to be in effect, become more restrictive, or be readopted in the future. These developments have had, and any future policy developments that may be implemented may have, the effect of reducing the number of visitors to Macau from mainland China, which could adversely impact tourism and the gaming industry in Macau.

Furthermore, our operations in Macau may be impacted by competition for limited labor resources. Our success in Macau will be impacted by our ability to retain and hire employees. We compete with a large number of casino resorts for a limited number of employees and we anticipate that such competition will grow in light of new developments in Macau. While we seek employees from other countries to adequately staff our resort, certain Macau government policies limit our ability to import labor in certain job classifications (for instance, the Macau government requires that we only hire Macau residents as dealers in our casinos). In addition, limitations on the number of gaming tables permitted by the Macau government could impact our current expectation on the number of table games we will be able to utilize at our Cotai project. Such limitations or reduction in table game availability may impact MGM China's results of operations. Finally, because additional casino projects are under construction and are to be developed in the future, existing transportation infrastructure may need to be expanded to accommodate increased visitation to Macau. If transportation facilities to and from Macau are inadequate to meet the demands of an increased volume of gaming customers visiting Macau, the desirability of Macau as a gaming destination, as well as the results of operations at our development in Cotai, Macau, could be negatively impacted.

- We may not realize all of the anticipated benefits of our Profit Growth Plan. We have undertaken an initiative for sustained growth and margin enhancement, focused on improving our business processes to optimize scale for greater efficiency and lower costs throughout our business. While we believe these initiatives will result in approximately $300 million of annual Adjusted EBITDA benefit by 2017, our optimization efforts may fail to achieve expected results. Our Profit Growth Plan is subject to numerous risks and uncertainties that may change at any time, and, therefore, our actual Adjusted EBITDA benefit may differ materially from what we anticipate.

- We have agreed not to have any interest or involvement in gaming businesses in China, Macau, Hong Kong and Taiwan, other than through MGM China. In connection with the initial public offering of MGM China, the holding company that indirectly owns and operates MGM Macau, we entered into a Deed of Non-Compete Undertakings with MGM China and Ms. Ho, Pansy Catilina Chiu King ("Ms. Pansy Ho") pursuant to which we are restricted from having any interest or involvement in gaming businesses in the People's Republic of China, Macau, Hong Kong and Taiwan, other than through MGM China. While gaming is currently prohibited in China, Hong Kong and Taiwan, if it is legalized in the future our ability to compete in these locations could be limited until the earliest of (i) March 31, 2020, (ii) the date MGM China's ordinary shares cease to be listed on The Stock Exchange of Hong Kong Limited or (iii) the date when our ownership of MGM China shares is less than 20% of the then issued share capital of MGM China.

- The Macau government can terminate MGM Grand Paradise's subconcession under certain circumstances without compensating MGM Grand Paradise, the Macau government can exercise its redemption right with respect to the subconcession in 2017 or the Macau government can refuse to grant MGM Grand Paradise an extension of the subconcession in 2020, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Macau government has the right to unilaterally terminate the subconcession in the event of fundamental non-compliance by MGM Grand Paradise with applicable Macau laws or MGM Grand Paradise's basic obligations under the subconcession contract. MGM Grand Paradise has the opportunity to remedy any such non-compliance with its fundamental obligations under the subconcession contract within a period to be stipulated by the Macau government. Upon such termination, all of MGM Grand Paradise's casino area premises and gaming-related equipment would be transferred automatically to the Macau government without compensation to MGM Grand Paradise, and we would cease to generate any revenues from these operations. We cannot assure you that MGM Grand Paradise will perform all of its obligations under the subconcession contract in a way that satisfies the requirements of the Macau government.

Furthermore, under the subconcession contract, MGM Grand Paradise is obligated to comply with any laws and regulations that the Macau government might promulgate in the future. We cannot assure you that MGM Grand Paradise will be able to comply with these laws and regulations or that these laws and regulations would not adversely affect our ability to construct or operate our Macau businesses. If any disagreement arises between MGM Grand Paradise and the Macau government regarding the interpretation of, or MGM Grand Paradise's compliance with, a provision of the subconcession contract, MGM Grand Paradise will be relying on a consultation and negotiation process with the Macau government. During any consultation or negotiation, MGM Grand Paradise will be obligated to comply with the terms of the subconcession contract as interpreted by the Macau government. Currently, there is no precedent concerning how the Macau government will treat the termination of a concession or subconcession upon the occurrence of any of the circumstances mentioned above. The loss of the subconcession would require us to cease conducting gaming operations in Macau, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, the subconcession contract expires on March 31, 2020. Unless the subconcession is extended, or legislation with regard to reversion of casino premises is amended, all of MGM Grand Paradise's casino premises and gaming-related equipment will automatically be transferred to the Macau government on that date without compensation to us, and we will cease to generate any revenues from such gaming operations. Beginning on April 20, 2017, the Macau government may redeem the subconcession contract by providing us at least one year's prior notice. In the event the Macau government exercises this redemption right, MGM Grand Paradise is entitled to fair compensation or indemnity. The amount of such compensation or indemnity will be determined based on the amount of gaming and non-gaming revenue generated by MGM Grand Paradise, excluding the convention and exhibition facilities, during the taxable year prior to the redemption, before deducting interest, depreciation and amortization, multiplied by the number of remaining years before expiration of the subconcession. We cannot assure you that MGM Grand Paradise will be able to renew or extend the subconcession contract on terms favorable to MGM Grand Paradise or at all. We also cannot assure you that if the subconcession is redeemed, the compensation paid to MGM Grand Paradise will be adequate to compensate for the loss of future revenues.

- We are required to build and open our development in Cotai, Macau by January 2018. If we are unable to meet this deadline, and the deadline for the development is not extended, we may lose the land concession, which would prohibit us from operating any facilities developed under such land concession. The land concession for the approximately 18 acre site on Cotai, Macau was officially gazetted on January 9, 2013. If we are unable to build and open our proposed resort and casino by January 2018, and the deadline is not extended, the Macau government has the right to unilaterally terminate the land concession contract. A loss of the land concession could have a material adverse effect on our business, financial condition, results of operations and cash flows.

- MGM Grand Paradise is dependent upon gaming promoters for a significant portion of gaming revenues in Macau. Gaming promoters, who promote gaming and draw high-end customers to casinos, are responsible for a significant portion of MGM Grand Paradise's gaming revenues in Macau. With the rise in gaming in Macau and the recent reduction in the number of licensed gaming promoters in Macau and in the number of VIP rooms operated by licensed gaming promoters, the competition for relationships with gaming promoters has increased. While MGM Grand Paradise is undertaking initiatives to strengthen relationships with gaming promoters, there can be no assurance that it will be able to maintain, or grow, relationships with gaming promoters. In addition, continued reductions in, and new regulations governing, the gaming promoter segment may result in the closure of additional VIP rooms in Macau, including VIP rooms at MGM Macau. If MGM Grand Paradise is unable to maintain or grow relationships with gaming promoters, or if gaming promoters are unable to develop or maintain relationships with our high-end customers (or if, as a result of recent market conditions in Macau, gaming promoters encounter difficulties attracting patrons to come to Macau), MGM Grand Paradise's ability to grow gaming revenues will be hampered. Furthermore, if existing VIP rooms at MGM Macau are closed there can be no assurance that MGM Grand Paradise will be able to locate acceptable gaming promoters to run such VIP rooms in the future in a timely manner, or at all.

In addition, the quality of gaming promoters is important to MGM Grand Paradise's and our reputation and ability to continue to operate in compliance with gaming licenses. While MGM Grand Paradise strives for excellence in associations with gaming promoters, we cannot assure you that the gaming promoters with whom MGM Grand Paradise is or becomes associated will meet the high standards insisted upon. If a gaming promoter falls below MGM Grand Paradise's standards, MGM Grand Paradise or we may suffer reputational harm or possibly sanctions from gaming regulators with authority over our operations.

We also grant credit lines to certain gaming promoters and any adverse change in the financial performance of those gaming promoters may impact the recoverability of these loans.

- The future recognition of our foreign tax credit deferred tax asset is uncertain, and the amount of valuation allowance we may apply against such deferred tax asset may change materially in future periods based on changes to the underlying forecasts of future profitability of and distributions from MGM China, changes in our assumption concerning renewals of the five-year exemption from Macau's 12% complementary tax on gaming profits and changes in assumptions concerning future U.S. operating profits. We currently have significant foreign tax credit deferred tax assets resulting from tax credit carryforwards that are available to reduce potential taxable foreign-sourced income in future periods. We evaluate our foreign tax credit deferred tax asset for recoverability and record a valuation allowance to the extent that we determine it is not more likely than not such asset will be recovered. This evaluation is based on available evidence, including assumptions about future profitability of and distributions from MGM China, as well as our assumption concerning renewals of the five-year exemption from Macau's 12% complementary tax on gaming profits. As a result, significant judgment is required in assessing the possible need for a deferred tax asset valuation allowance and changes to our assumptions may have a material impact on the amount of the valuation allowance. For example, should we in a future period actually receive or be able to assume an additional five-year exemption, an additional valuation allowance would likely need to be provided on some portion or all of the foreign tax credit deferred tax asset, resulting in an increase in the provision for income taxes in such period and such increase may be material. In addition, a change to our forecasts of future profitability of and distributions from MGM China could also result in a material change in the valuation allowance with a corresponding impact on the provision for income taxes in such period.

Finally, while we do not currently rely on future U.S. source operating income in assessing future foreign tax credit realization due to our recent history of cumulative losses in the U.S., if the recent improvement in U.S. operating results continues, we could in a future period begin to rely on future U.S. source operating income for such purpose which could result in a reduction in the valuation allowance and a corresponding reduction in the provision for income taxes in such period.

- Extreme weather conditions or climate change may cause property damage or interrupt business, which could harm our business and results of operations. Certain of our casino properties are located in areas that may be subject to extreme weather conditions, including, but not limited to, hurricanes in the United States and severe typhoons in Macau. Such extreme weather conditions may interrupt our operations, damage our properties, and reduce the number of customers who visit our facilities in such areas. In addition, our operations could be adversely impacted by a drought or other cause of water shortage. A severe drought of extensive duration experienced in Las Vegas or in the other regions in which we operate could adversely affect our business and results of operations. Although we maintain both property and business interruption insurance coverage for certain extreme weather conditions, such coverage is subject to deductibles and limits on maximum benefits, including limitation on the coverage period for business interruption, and we cannot assure you that we will be able to fully insure such losses or fully collect, if at all, on claims resulting from such extreme weather conditions. Furthermore, such extreme weather conditions may interrupt or impede access to our affected properties and may cause visits to our affected properties to decrease for an indefinite period, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

- Because a majority of our major gaming resorts are concentrated on the Las Vegas Strip, we are subject to greater risks than a gaming company that is more geographically diversified. Given that a majority of our major resorts are concentrated on the Las Vegas Strip, our business may be significantly affected by risks common to the Las Vegas tourism industry. For example, the cost and availability of air services and the impact of any events that disrupt air travel to and from Las Vegas can adversely affect our business. We cannot control the number or frequency of flights to or from Las Vegas, but we rely on air traffic for a significant portion of our visitors. Reductions in flights by major airlines as a result of higher fuel prices or lower demand can impact the number of visitors to our resorts. Additionally, there is one principal interstate highway between Las Vegas and Southern California, where a large number of our customers reside. Capacity constraints of that highway or any other traffic disruptions may also affect the number of customers who visit our facilities.

- We extend credit to a large portion of our customers and we may not be able to collect gaming receivables. We conduct a portion of our gaming activities on a credit basis through the issuance of markers which are unsecured instruments. Table games players typically are issued more markers than slot players, and high-end players typically are issued more markers than patrons who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. Furthermore, the loss or a reduction in the play of the most significant of these high-end customers could have an adverse effect on our business, financial condition, results of operations and cashflows. We issue markers to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. In addition, MGM Grand Paradise extends credit to certain gaming promoters and those promoters can extend credit to their customers. Uncollectible receivables from high-end customers and gaming promoters could have a significant impact on our results of operations.

While gaming debts evidenced by markers and judgments on gaming debts are enforceable under the current laws of Nevada, and Nevada judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from United States courts are not binding on the courts of many foreign nations.

Furthermore, we expect that MGM Macau will be able to enforce its gaming debts only in a limited number of jurisdictions, including Macau. To the extent MGM Macau gaming customers and gaming promoters are from other jurisdictions, MGM Macau may not have access to a forum in which it will be able to collect all of its gaming receivables because, among other reasons, courts of many jurisdictions do not enforce gaming debts and MGM Macau may encounter forums that will refuse to enforce such debts. Moreover, under applicable law, MGM Macau remains obligated to pay taxes on uncollectible winnings from customers.

Even where gaming debts are enforceable, they may not be collectible. Our inability to collect gaming debts could have a significant negative impact on our operating results.

- We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets which could negatively affect our future profits. We review our goodwill, intangible assets and long-lived assets on an annual basis and during interim reporting periods in accordance with the authoritative guidance. Significant negative trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth have resulted in write-downs and impairment charges in the past and, if one or more of such events occurs in the future, additional impairment charges or write-downs may be required in future periods. For instance, in 2015, we recorded a non-cash impairment charge of $1.5 billion to reduce the historical carrying value of goodwill related to the MGM China reporting unit. If we are required to record additional impairment charges or write-downs, this could have a material adverse impact on our consolidated results of operations.

- Leisure and business travel, especially travel by air, are particularly susceptible to global geopolitical events, such as terrorist attacks or acts of war or hostility. We are dependent on the willingness of our customers to travel by air. Since most of our customers travel by air to our Las Vegas and Macau properties, any terrorist act, outbreak of hostilities, escalation of war, or any actual or perceived threat to the security of travel by air could adversely affect our financial condition, results of operations and cash flows. Furthermore, although we have been able to purchase some insurance coverage for certain types of terrorist acts, insurance coverage against loss or business interruption resulting from war and some forms of terrorism continues to be unavailable.

- Co-investing in our properties, including our investment in CityCenter, decreases our ability to manage risk. In addition to acquiring or developing hotels and resorts or acquiring companies that complement our business directly, we have from time to time invested, and expect to continue to invest, as a co-investor. Co-investors often have shared control over the operation of the property. Therefore, the operation of such properties is subject to inherent risk due to the shared nature of the enterprise and the need to reach agreements on material matters. In addition, investments with other investors may involve risks such as the possibility that the co-investor might become bankrupt or not have the financial resources to meet its obligations, or have economic or business interests or goals that are inconsistent with our business interests or goals, or be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Consequently, actions by a co-investor might subject hotels and resorts owned by such entities to additional risk. Further, we may be unable to take action without the approval of our co-investors. Alternatively, our co-investors could take actions binding on the property without our consent. Additionally, should a co-investor become bankrupt, we could become liable for its share of liabilities.

For instance, CityCenter, which is 50% owned and managed by us, has a significant amount of indebtedness, which could adversely affect its business and its ability to meet its obligations. If CityCenter is unable to meet its financial commitments and we and our co-investor are unable to support future funding requirements, as necessary, such event could have adverse financial consequences to us. In addition, the agreements governing CityCenter's indebtedness subject CityCenter and its subsidiaries to significant financial and other restrictive covenants, including restrictions on its ability to incur additional indebtedness, place liens upon assets, make distributions to us, make certain investments, consummate certain asset sales, enter into transactions with affiliates (including us) and merge or consolidate with any other person or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets. The CityCenter third amended and restated credit facility also includes certain financial covenants that require CityCenter to maintain a maximum total leverage ratio (as defined in CityCenter's third amended and restated credit facility) for each quarter. We cannot be sure that CityCenter will be able to meet this test in the future or that the lenders will waive any failure to meet the test.

- Any of our future construction, development or expansion projects will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects.

Any of our future construction, development or expansion projects will be subject to a number of risks, including:

- lack of sufficient, or delays in the availability of, financing;
- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;
- labor disputes or work stoppages;
- disputes with and defaults by contractors and subcontractors;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread of viruses;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these development and construction risks could increase the total costs, delay or prevent the construction, development, expansion or opening or otherwise affect the design and features of any future projects which we might undertake. For instance, we currently expect the total development costs of our Cotai project to be approximately $3.0 billion, excluding development fees eliminated in consolidation, capitalized interest and land-related costs. We currently expect total development costs of our Maryland project to be approximately $1.3 billion, total development costs of our Massachusetts project to be approximately $865 million and total development costs of our T-Mobile Arena project to be approximately $350 million, each excluding capitalized interest and land related costs. While we believe that the overall budgets for these developments are reasonable, these development costs are estimates and the actual development costs may be higher than expected. We cannot guarantee that our construction costs or total project costs for future projects, including our developments in Cotai, Maryland and Massachusetts, will not increase beyond amounts initially budgeted or that the expected design and features of current or future projects will not change. In addition, the regulatory approvals associated with our development projects may require us to open future casino resorts by a certain specified time and to the extent we are unable to meet those deadlines, and any such deadlines are not extended, we may lose our regulatory approval to open a casino resort in a proposed jurisdiction or incur payment penalties in connection with any delays which could have an adverse effect on our results of operations and financial condition.

- Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain similar insurance coverage in the future. Although we have “all risk” property insurance coverage for our operating properties, which covers damage caused by a casualty loss (such as fire, natural disasters, acts of war, or terrorism), each policy has certain exclusions. In addition, our property insurance coverage is in an amount that may be significantly less than the expected replacement cost of rebuilding the facilities if there was a total loss. Our level of insurance coverage also may not be adequate to cover all losses in the event of a major casualty. In addition, certain casualty events, such as labor strikes; nuclear events; acts of war; loss of income due to cancellation of room reservations or conventions due to fear of terrorism; loss of electrical power due to catastrophic events, rolling blackouts or otherwise; deterioration or corrosion; insect or animal damage; and pollution, may not be covered at all under our policies. Therefore, certain acts could expose us to substantial uninsured losses.

In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption as a result of these events or be subject to claims by third parties that may be injured or harmed. While we carry business interruption insurance and general liability insurance, this insurance may not be adequate to cover all losses in any such event.

We renew our insurance policies (other than our builder's risk insurance) on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits, further increase our deductibles, or agree to certain exclusions from our coverage.

- Any failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business. The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one trademark or combination of several of our trademarks or other intellectual property, we seek to establish and maintain our proprietary rights in our business operations through the use of trademarks. We file applications for, and obtain trademarks in, the United States and in foreign countries where we believe filing for such protection is appropriate. Despite our efforts to protect our proprietary rights, parties may infringe our trademarks and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights to as great an extent as the laws of the United States. Monitoring the unauthorized use of our intellectual property is difficult. Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resource. We cannot assure you that all of the steps we have taken to protect our trademarks in the United States and foreign countries will be adequate to prevent imitation of our trademarks by others. The unauthorized use or reproduction of our trademarks could diminish the value of our brand and its market acceptance, competitive advantages or goodwill, which could adversely affect our business.

- Tracinda owns a significant amount of our common stock and may be able to exert significant influence over matters requiring stockholder approval. As of December 31, 2015, Tracinda Corporation beneficially owned approximately 16% of our outstanding common stock and as a result, Tracinda may be able to exercise significant influence over any matter requiring stockholder approval, including the approval of significant corporate transactions. Upon Mr. Kerkorian's passing, Tracinda's position in our common stock became subject to the terms of Mr. Kerkorian's last will and testament, which provides for an orderly disposition of Tracinda's position in our common stock. As a result, while we expect that Tracinda's ownership of our common stock will decline in the future, Tracinda has not indicated when, if or how it intends to sell its position in our common stock.

- We are subject to risks associated with doing business outside of the United States. Our operations outside of the United States are subject to risks that are inherent in conducting business under non-United States laws, regulations and customs. In particular, the risks associated with the operation of MGM Macau or any future operations in which we may engage in any other foreign territories, include:

- changes in laws and policies that govern operations of companies in Macau or other foreign jurisdictions;
- changes in non-United States government programs;
- possible failure by our employees or agents to comply with anti-bribery laws such as the United States Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions;
- general economic conditions and policies in China, including restrictions on travel and currency movements;
- difficulty in establishing, staffing and managing non-United States operations;
- different labor regulations;
- changes in environmental, health and safety laws;
- outbreaks of diseases or epidemics;
- potentially negative consequences from changes in or interpretations of tax laws;
- political instability and actual or anticipated military and political conflicts;
- economic instability and inflation, recession or interest rate fluctuations; and
- uncertainties regarding judicial systems and procedures.

These risks, individually or in the aggregate, could have an adverse effect on our results of operations and financial condition.

We are also exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates. If the United States dollar strengthens in relation to the currencies of other countries, our United States dollar reported income from sources where revenue is dominated in the currencies of other such countries will decrease.

- Any violation of the Foreign Corrupt Practices Act or any other similar anti-corruption laws could have a negative impact on us. A significant portion of our revenue is derived from operations outside the United States, which exposes us to complex foreign and U.S. regulations inherent in doing cross-border business and in each of the countries in which we transact business. We are subject to compliance with the United States Foreign Corrupt Practices Act ("FCPA") and other similar anti-corruption laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. While our employees and agents are required to comply with these laws, we cannot be sure that our internal policies and procedures will always protect us from violations of these laws, despite our commitment to legal compliance and corporate ethics. Violations of these laws by us or our non-controlled ventures may result in severe criminal and civil sanctions as well as other penalties against us, and the SEC and U.S. Department of Justice continue to vigorously pursue enforcement of the FCPA. The occurrence or allegation of these types of risks may adversely affect our business, performance, prospects, value, financial condition, and results of operations.

- We face risks related to pending claims that have been, or future claims that may be, brought against us. Claims have been brought against us and our subsidiaries in various legal proceedings, and additional legal and tax claims arise from time to time. We may not be successful in the defense or prosecution of our current or future legal proceedings, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations. Please see the further discussion in "Legal Proceedings" and Note 11 in the accompanying consolidated financial statements.

- A significant portion of our labor force is covered by collective bargaining agreements. Work stoppages and other labor problems could negatively affect our business and results of operations. As of December 31, 2015, approximately 29,900 of our employees are covered by collective bargaining agreements. A prolonged dispute with the covered employees or any labor unrest, strikes or other business interruptions in connection with labor negotiations or others could have an adverse impact on our operations. Further, adverse publicity in the marketplace related to union messaging could further harm our reputation and reduce customer demand for our services. Also, wage and/or benefit increases resulting from new labor agreements may be significant and could also have an adverse impact on our results of operations. In addition, to the extent that our non-union employees join unions, we would have greater exposure to risks associated with labor problems.

- Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results. We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our resorts and a reduction in our revenues.

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The failure to maintain the integrity of our computer systems and internal customer information could result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data. We collect and store information relating to our employees and guests for various business purposes, including marketing and promotional purposes. The collection and use of personal data are governed by privacy laws and regulations enacted in the United States and other jurisdictions around the world. Privacy regulations continue to evolve and on occasion may be inconsistent from one jurisdiction to another.

Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our guests. In addition, non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us), including accidental loss, inadvertent disclosure, unapproved dissemination or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data. We rely on proprietary and commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of customer and employee information, such as payment card and other confidential or proprietary information. Our data security measures are reviewed and evaluated regularly; however, they might not protect us against increasingly sophisticated and aggressive threats. In addition, while we maintain cyber risk insurance to assist in the cost of recovery from a significant cyber event, such coverage may not be sufficient.

We also rely extensively on computer systems to process transactions, maintain information and manage our businesses. Disruptions in the availability of our computer systems, through cyber-attacks or otherwise, could impact our ability to service our customers and adversely affect our sales and the results of operations. For instance, there has been an increase in criminal cyber security attacks against companies where customer and company information has been compromised and company data has been destroyed. Our information systems and records, including those we maintain with our third-party service providers, may be subject to cyber security breaches in the future. In addition, our third-party information system service providers face risks relating to cyber security similar to ours, and we do not directly control any of such parties' information security operations. A significant theft, loss or fraudulent use of customer or company data maintained by us or by a third-party service provider could have an adverse effect on our reputation, cause a material disruption to our operations and management team, and result in remediation expenses, regulatory penalties and litigation by customers and other parties whose information was subject to such attacks, all of which could have a material adverse effect on our business, results of operations and cash flows.

- We may seek to expand through investments in other businesses and properties or through alliances or acquisitions, and we may also seek to divest some of our properties and other assets, any of which may be unsuccessful. We intend to consider strategic and complementary acquisitions and investments in other businesses, properties or other assets. Furthermore, we may pursue any of these opportunities in alliance with third parties. Acquisitions and investments in businesses, properties or assets, as well as these alliances, are subject to risks that could affect our business, including risks related to:

- spending cash and incurring debt;
- assuming contingent liabilities;
- unanticipated issues in integrating information, communications and other systems;
- unanticipated incompatibility of purchasing, logistics, marketing and administration methods;
- retaining key employees; and
- consolidating corporate and administrative infrastructures.

We cannot assure you that we will be able to identify opportunities or complete transactions on commercially reasonable terms or at all, or that we will actually realize any anticipated benefits from such acquisitions, investments or alliances.

- If the jurisdictions in which we operate increase gaming taxes and fees, our results could be adversely affected. State and local authorities raise a significant amount of revenue through taxes and fees on gaming activities. From time to time, legislators and government officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Periods of economic downturn or uncertainty and budget deficits may intensify such efforts to raise revenues through increases in gaming taxes. If the jurisdictions in which we operate were to increase gaming taxes or fees, depending on the magnitude of the increase and any offsetting factors, our financial condition and results of operations could be materially adversely affected. For instance, income generated from gaming operations of MGM Grand Paradise currently has the benefit of a corporate tax exemption in Macau, which exempts us from paying the 12% complementary tax on profits generated by the operation of casino games. This exemption is effective through the end of 2016 and while we believe that we will be granted additional five-year exemptions in the future we cannot assure you that any extensions of the tax exemption will be granted.

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Conflicts of interest may arise because certain of our directors and officers are also directors of MGM China, the holding company for MGM Grand Paradise which owns and operates MGM Macau. As a result of the initial public offering of shares of MGM China common stock, MGM China now has stockholders who are not affiliated with us, and we and certain of our officers and directors who also serve as officers and/or directors of MGM China may have conflicting fiduciary obligations to our stockholders and to the minority stockholders of MGM China. Decisions that could have different implications for us and MGM China, including contractual arrangements that we have entered into or may in the future enter into with MGM China, may give rise to the appearance of a potential conflict of interest or an actual conflict of interest.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located at Bellagio. Our significant land holdings are described below; unless otherwise indicated, all properties are wholly owned. We also own or lease various other improved and unimproved properties in Las Vegas and other locations in the United States and certain foreign countries.

Wholly owned domestic resorts and other land

The following table lists our wholly owned domestic resorts land holdings and other land holdings, including land held in connection with our proposed development properties.

Name and Location	Approximate Acres	Notes
Las Vegas, Nevada operations		
Bellagio	77	Two acres of the site are subject to two ground leases that expire (giving effect to our renewal options) in 2019 and 2073.
MGM Grand Las Vegas	102	
Mandalay Bay	124	
The Mirage	77	
Luxor	73	Includes 15 acres of land located across the Las Vegas Strip from Luxor.
Excalibur	51	
New York-New York	23	Includes 3 acres of land related to The Park entertainment district development located between Monte Carlo and New York-New York.
Monte Carlo	21	
Circus Circus Las Vegas	102	Includes 34 acres of land located north of Circus Circus Las Vegas.
Other domestic operations		
MGM Grand Detroit (Detroit, Michigan)	27	
Beau Rivage (Biloxi, Mississippi)	41	Includes 10 acres of tidelands leased from the State of Mississippi under a lease that expires (giving effect to our renewal options) in 2066.
Gold Strike (Tunica, Mississippi)	24	
Other		
T-Mobile Arena (Las Vegas, Nevada)	17	Located adjacent to New York-New York and leased under a 50 year ground lease to Las Vegas Arena Company.
MGM Springfield (Springfield, Massachusetts)	15	
Tunica, Mississippi	388	We own an undivided 50% interest in this land with another, unaffiliated, gaming company.
Atlantic City, New Jersey	141	

		Approximately 8 acres are leased to Borgata under a short-term lease. Of the remaining land, approximately 74 acres are suitable for development.
Shadow Creek Golf Course (North Las Vegas, Nevada)	310	Includes 66 acres of land adjacent to the golf course.
Fallen Oak Golf Course (Saucier, Mississippi)	511	
Primm Valley Golf Club (Stateline, California)	573	Located at the California state line, four miles from Primm, Nevada. Includes 125 acres of land adjacent to the golf club.

The land and substantially all of the assets of MGM Grand Las Vegas, Bellagio and The Mirage secure up to $3.35 billion of obligations outstanding under our senior credit facility. In addition, the land and substantially all of the assets of New York-New York and Gold Strike Tunica secure the entire amount of our senior credit facility and the land and substantially all of the assets of MGM Grand Detroit secure its $450 million of obligations as a co-borrower under the senior credit facility. In addition, the senior credit facility is secured by a pledge of the equity or limited liability company interests of the subsidiaries that own the pledged properties.

MGM China

MGM Macau occupies an approximately 10 acre site and the MGM Cotai development will occupy an approximately 18 acre site, both of which are possessed under separate 25-year land use right agreements with the Macau government. The MGM China credit facility is secured by MGM Grand Paradise's interest in the Cotai and MGM Macau land use rights, and MGM China, MGM Grand Paradise and their guarantor subsidiaries have granted a security interest in substantially all of their assets to secure the facility. As of December 31, 2015, approximately $1.6 billion was outstanding under the MGM China credit facility. These borrowings are non-recourse to MGM Resorts International.

MGM National Harbor

MGM National Harbor occupies approximately 23 acres of leased land in Prince George's County, Maryland. In January 2016, MGM National Harbor, LLC, the Company's wholly owned subsidiary developing and constructing MGM National Harbor, entered into a $525 million senior secured credit facility consisting of a $100 million revolver and a $425 million delayed draw term loan, of which $250 million was funded at closing. The credit agreement is secured by a leasehold mortgage on MGM National Harbor and substantially all of the existing and future property of MGM National Harbor.

Unconsolidated Affiliates

CityCenter occupies approximately 67 acres of land between Bellagio and Monte Carlo. The site, along with substantially all of the assets of that resort, serves as collateral for CityCenter's senior secured credit facility. As of December 31, 2015, CityCenter had not drawn on its $75 million revolving credit facility and had $1.5 billion in term loans outstanding.

The Borgata occupies approximately 46 acres of land in Atlantic City, New Jersey. The Borgata's senior secured credit facility is secured by a first priority lien on substantially all of the assets of Borgata, including the land underlying the Borgata. At December 31, 2015, Borgata had drawn $38 million on its revolving credit facility and had $660 million in term loans outstanding.

The Las Vegas Arena Company leases under a long-term ground lease approximately 17 acres of land owned by the Company and located between Frank Sinatra Drive and New York-New York, adjacent to the Las Vegas Strip. Substantially all of the assets of Las Vegas Arena Company are used as collateral for its senior secured credit facility. In connection with this senior secured credit facility, MGM Resorts International and AEG each entered into a repayment guarantee for the term loan B (which is subject to increases and decreases in the event of a rebalancing of the principal amount of indebtedness between the term loan A and term loan B facilities). As of December 31, 2015, term loan A was $120 million and term loan B was $80 million. See Note 11 for discussion of the Company's repayment guarantee related to the T-Mobile Arena.

Except as described above with respect to the Las Vegas Arena Company senior secured credit facility, all of the borrowings by our unconsolidated affiliates described above are non-recourse to MGM Resorts International.

Other than as described above, none of our properties serve as collateral.

ITEM 3. LEGAL PROCEEDINGS

Securities and derivative litigation. In 2009 various shareholders filed six lawsuits in Nevada federal and state court against the Company and various of its former and current directors and officers alleging federal securities laws violations and/or related breaches of fiduciary duties in connection with statements allegedly made by the defendants during the period August 2007 through the date of such lawsuit filings in 2009 (the "class period"). In general, the lawsuits asserted the same or similar allegations, including that during the relevant period defendants artificially inflated the Company's common stock price by knowingly making materially false and misleading statements and omissions to the investing public about the Company's financial statements and condition, operations, CityCenter, and the intrinsic value of the Company's common stock; that these alleged misstatements and omissions thereby enabled certain Company insiders to derive personal profit from the sale of Company common stock to the public; that defendants caused plaintiffs and other shareholders to purchase Company common stock at artificially inflated prices; and that defendants imprudently implemented a share repurchase program to the detriment of the Company. The lawsuits sought unspecified compensatory damages, restitution and disgorgement of alleged profits and/or attorneys' fees and costs in amounts to be proven at trial, as well as injunctive relief related to corporate governance.

The state and federal court derivative actions were dismissed pursuant to defendants' motions. Only two of these lawsuits remain pending. The lawsuits are:

In re MGM MIRAGE Securities Litigation, Case No. 2:09-cv-01558-GMN-LRL. In November 2009, the U.S. District Court for Nevada consolidated the Robert Lowinger v. MGM MIRAGE, et al. (Case No. 2:09-cv-01558-RCL-LRL, filed August 19, 2009) and Khachatur Hovhannisyan v. MGM MIRAGE, et al. (Case No. 2:09-cv-02011-LRH-RJJ, filed October 19, 2009) putative class actions under the caption "In re MGM MIRAGE Securities Litigation." The cases name the Company and certain former and current directors and officers as defendants and allege violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder. After transfer of the cases in 2010 to the Honorable Gloria M. Navarro, the court appointed several employee retirement benefits funds as co-lead plaintiffs and their counsel as co-lead and co-liaison counsel. In January 2011, lead plaintiffs filed a consolidated amended complaint, alleging that between August 2, 2007 and March 5, 2009, the Company, its directors and certain of its officers violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder.

In September 2013, the court denied defendants' motion to dismiss plaintiffs' amended complaint. Defendants answered the amended complaint, the court entered a scheduling order and discovery commenced. Plaintiffs filed a motion for class certification in November 2014. Defendants filed their opposition to class certification in February 2015. The court heard oral argument on the class certification motion on April 21, 2015 and took the matter under advisement. No trial date was set in this case.

In July 2015, the lead plaintiffs and defendants agreed in principle to settle the securities class actions. In August 2015, the lead plaintiffs and defendants entered into a Stipulation and Agreement of Settlement (the "Settlement Agreement"). Under the terms of the Settlement Agreement, the claims against the Company and the named former and current directors and officers will be dismissed with prejudice and released in exchange for a $75 million cash payment by the Company's directors and officers liability insurers. In August 2015, the lead plaintiffs filed with the court an Unopposed Motion for Preliminary Approval of the Settlement Agreement. In September 2015, the court entered an Order Preliminarily Approving Settlement, preliminarily certified the class for settlement purposes only, established class notification procedures and scheduled a hearing for December 15, 2015 to determine whether to grant final approval to the settlement.

On December 7, 2015, the court entered an order on a stipulation by the parties, which, among other things, continued the approval hearing to January 29, 2016 to allow additional time to provide notice of the settlement to class members. On January 21, 2016, the court again continued the hearing for final settlement approval, to allow the court time to first resolve a then-pending motion by a non-party to compel certain discovery from the lead plaintiffs' counsel. On January 27, 2016, the court denied the motion to compel. The hearing for final settlement approval has been scheduled for March 1, 2016.

If the court grants final approval of the Settlement Agreement and enters the proposed judgment, all claims in these cases against the Company and the individual defendants will be resolved. In the event that defendants are unable to obtain final court approval of the Settlement Agreement, the Company and all other defendants plan to continue to vigorously defend against the claims asserted in these securities cases.

Other. We and our subsidiaries are also defendants in various other lawsuits, most of which relate to routine matters incidental to our business. We do not believe that the outcome of such pending litigation, considered in the aggregate, will have a material adverse effect on the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Information

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "MGM." The following table sets forth, for the calendar quarters indicated, the high and low sale prices of our common stock on the NYSE Composite Tape.

	2015		2014	
	High	Low	High	Low
First quarter	$23.25	$18.82	$28.27	$23.28
Second quarter	22.65	17.50	26.43	23.02
Third quarter	22.77	16.84	26.92	22.16
Fourth quarter	24.41	18.19	23.23	18.01

There were approximately 3,956 record holders of our common stock as of February 24, 2016.

We have not paid dividends on our common stock in the last three fiscal years. As a holding company with no independent operations, our ability to pay dividends will depend upon the receipt of dividends and other payments from our subsidiaries. Furthermore, our senior credit facility contains financial covenants and restrictive covenants that could restrict our ability to pay dividends, subject to certain exceptions. In addition, the MGM National Harbor and the MGM China credit facilities each contain limitations on their ability to pay dividends to us. Our Board of Directors periodically reviews our policy with respect to dividends, and any determination to pay dividends in the future will depend on our financial position, future capital requirements and financial debt covenants and any other factors deemed necessary by the Board of Directors. Moreover, should we pay any dividends in the future, there can be no assurance that we will continue to pay such dividends.

ITEM 6. SELECTED FINANCIAL DATA

The following reflects selected historical financial data that should be read in conjunction with “Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. The financial information presented below has been adjusted for adoption of Accounting Standard Update No. 2015-03, “Simplifying the Presentation of Debt Issuance Cost,” (“ASU 2015-03”), which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability. Additionally, prior period amounts have not been adjusted for adoption of Accounting Standard Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes," (“ASU 2015-17”), which we early adopted on a prospective basis. ASU 2015-17 requires that deferred tax liabilities and assets, along with any related valuation allowance, be classified as noncurrent in a classified statement of financial position. For additional information, please see recently issued accounting standards section in Note 2 to the accompanying consolidated financial statements. The historical results are not necessarily indicative of the results of operations to be expected in the future.

	2015	2014	2013	2012	2011
	(In thousands, except per share data)				
Net revenues	$9,190,068	$10,081,984	$9,809,663	$9,160,844	$7,849,312
Operating income (loss)	(156,232)	1,323,538	1,137,281	121,351	4,105,779
Net income (loss)	(1,039,649)	127,178	41,374	(1,616,912)	3,238,125
Net income (loss) attributable to MGM Resorts International	(447,720)	(149,873)	(171,734)	(1,767,691)	3,117,818
Earnings per share of common stock attributable to MGM Resorts International:					
Basic:					
Net income (loss) per share	$(0.82)	$(0.31)	$(0.35)	$(3.62)	$6.38
Weighted average number of shares	542,873	490,875	489,661	488,988	488,652
Diluted:					
Net income (loss) per share	$(0.82)	$(0.31)	$(0.35)	$(3.62)	$5.63
Weighted average number of shares	542,873	490,875	489,661	488,988	560,895
At-year end:					
Total assets	$25,215,178	$26,593,914	$25,961,843	$26,157,799	$27,653,655
Total debt, including capital leases	12,713,416	14,063,563	13,326,441	13,462,968	13,359,642
Stockholders' equity	7,764,427	7,628,274	7,860,495	8,116,016	9,882,222
MGM Resorts International stockholders' equity	5,119,927	4,090,917	4,216,051	4,365,548	6,086,578
MGM Resorts International stockholders' equity per share	$9.06	$8.33	$8.60	$8.92	$12.45
Number of shares outstanding	564,839	491,292	490,361	489,234	488,835

The following events/transactions affect the year-to-year comparability of the selected financial data presented above:

Acquisitions and Dispositions

- In 2011, we acquired an additional 1% of the overall capital stock in MGM China (and obtained a controlling interest) and thereby became the indirect owner of 51% of MGM China. We recorded a gain of $3.5 billion on the transaction. As a result of our acquisition of the additional 1% share of MGM China, we began consolidating the results of MGM China on June 3, 2011 and ceased recording the results of MGM Macau as an equity method investment.

Other

- In 2011, we recorded non-cash impairment charges of $26 million related to our share of the CityCenter residential real estate impairment, $80 million related to Circus Circus Reno, $23 million related to our investment in Silver Legacy and $62 million related to our investment in Borgata.
- In 2012, we recorded non-cash impairment charges of $85 million related to our investment in Grand Victoria, $65 million related to our investment in Borgata, $366 million related to our land on the north end of the Las Vegas Strip, $167 million related to our Atlantic City land and $47 million for the South Jersey Transportation Authority special revenue bonds we hold.
- In 2012, we recorded $18 million related to our share of the CityCenter residential real estate impairment charge and $16 million related to our share of CityCenter’s Harmon demolition costs.
- In 2012, we recorded a $563 million loss on debt retirement in connection with the February 2012 amendment and restatement of our senior credit facility and in connection with our December 2012 refinancing transactions.

- In 2013, we recorded non-cash impairment charges of $37 million related to our investment in Grand Victoria, $20 million related to our land in Jean and Sloan, Nevada, and $45 million related to corporate buildings expected to be removed from service.
- In 2013, we recorded a $70 million loss for our share of CityCenter’s non-operating loss on retirement of long-term debt, primarily consisting of premiums associated with the redemption of the existing first and second lien notes as well as the write-off of previously unamortized debt issuance costs and a gain of $12 million related to our share of Silver Legacy’s non-operating gain on retirement of long-term debt.
- In 2014, we recorded a non-cash impairment charge of $29 million related to our investment in Grand Victoria.
- In 2015, we recorded non-cash impairment charges of $1.5 billion to reduce the historical carrying value of goodwill related to the MGM China reporting unit and $17 million related to our investment in Grand Victoria.
- In 2015, we recorded an $80 million gain for our share of CityCenter’s gain resulting from the final resolution of its construction litigation and related settlements.
- In 2015, we recorded a gain of $23 million related to the sale of Circus Circus Reno and our 50% interest in Silver Legacy and associated real property.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

Our primary business is the ownership and operation of casino resorts, which offer gaming, hotel, convention, dining, entertainment, retail and other resort amenities. We own or invest in several of the finest casino resorts in the world and we continually reinvest in our resorts to maintain our competitive advantage. Most of our revenue is cash-based, through customers wagering with cash or paying for non-gaming services with cash or credit cards. We rely heavily on the ability of our resorts to generate operating cash flow to fund capital expenditures, provide excess cash flow for future development and repay debt financings. We make significant investments in our resorts through newly remodeled hotel rooms, restaurants, entertainment and nightlife offerings, as well as other new features and amenities.

According to the Las Vegas Convention and Visitors Authority, Las Vegas visitor volume increased 3%, Las Vegas Strip REVPAR increased 3% and Las Vegas Strip gaming revenue decreased less than 1% in the year ended December 31, 2015. Results of operations for our wholly owned domestic resorts during 2015 benefited from an increase in operating margins resulting from increases in gaming revenue and REVPAR. Our rooms revenue benefited from increased visitation to the Las Vegas market and robust convention business at our Las Vegas Strip resorts, which resulted in increases in occupancy and allowed us to yield higher room rates across our portfolio of resorts.

Gross gaming revenues in the Macau market decreased 34% in 2015 compared to 2014. We believe operating results have been negatively affected by economic conditions and certain policy initiatives in China and the implementation of a full main floor casino smoking ban in October 2014. Additionally, we believe stricter enforcement of entrance into Macau via the use of transit visas, as well as a decrease in duration of stay permitted for transit visa holders, has negatively affected operating results; however, restrictions surrounding the use of transit visas were eased in July 2015. The decrease in gross gaming revenues accelerated during the second half of 2014 and continued throughout 2015 as Macau has become an increasingly challenging and competitive market, impacting primarily VIP casino gaming operations and, to a lesser extent, main floor operations. According to statistics published by the Statistics and Census Service of the Macau Government, visitor arrivals decreased 3% in 2015 compared to 2014. Despite concerns over the recent events and the sustainability of economic growth in China, we expect the Macau market to grow on a long-term basis due to further development and penetration of the mainland China market and infrastructure improvements expected to facilitate more convenient travel to and within Macau.

Our results of operations are affected by decisions we make related to our capital allocation, our access to capital and our cost of capital. While we continue to be focused on improving our financial position, we are also dedicated to capitalizing on development opportunities. In Macau, we plan to spend approximately $3.0 billion, excluding development fees eliminated in consolidation, capitalized interest and land related costs, to develop MGM Cotai, a resort and casino with capacity for up to 500 gaming tables and up to 1,500 slots, and featuring approximately 1,500 hotel rooms, built on an approximately 18 acre site on the Cotai Strip in Macau. The actual number of gaming tables allocated to MGM Cotai will be determined by the Macau government prior to opening, and such allocation may be less than our 500 gaming table capacity.   MGM Cotai is expected to open at the end of the first quarter of 2017.

We were awarded the sixth and final casino license under current statutes in the State of Maryland by the Maryland Video Lottery Facility Location Commission to build and operate MGM National Harbor, 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. We currently expect the cost to develop and construct MGM National Harbor to be approximately $1.3 billion, excluding capitalized interest and land related costs. We designed 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. We expect MGM National Harbor to open in the fourth quarter of 2016.

We were 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. MGM'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.

We entered into an agreement with a subsidiary of Anschutz Entertainment Group, Inc. ("AEG") to design, construct, and operate an arena, which will be located on a parcel of our land between Frank Sinatra Drive and New York-New York, adjacent to the Las Vegas Strip. We and AEG each own 50% of Las Vegas Arena Company, the developer of the arena. In September 2014, a wholly owned subsidiary of Las Vegas Arena Company entered into a $200 million senior secured credit facility to finance construction of the arena. The Las Vegas Arena Company recently entered into a multi-year naming rights agreement with T-Mobile. T-Mobile Arena will seat between 18,000 and 20,000 people and is scheduled to open in the April 2016. Such development is estimated to cost approximately $350 million, excluding capitalized interest and land-related costs. In addition, we are building The Park entertainment district which connects to New York-New York, Monte Carlo and T-Mobile Arena.

In August 2015, we announced the implementation of a Profit Growth Plan for sustained growth and margin enhancement. The Profit Growth Plan's initiatives are focused on improving business processes to optimize our scale for greater efficiency and lower cost throughout our business, and to identify areas of opportunity to organically drive incremental revenue growth. The Profit Growth Plan includes a large number of opportunities to enhance our business operations and we continue to explore additional opportunities to drive further margin enhancements. The plan is expected to result in approximately $300 million of annualized Adjusted EBITDA benefit. The Profit Growth Plan has begun to show significant results and is expected to be fully realized by the end of 2017.

On October 29, 2015, we announced the formation of MGP as 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 to a newly-formed operating partnership that MGP will control through a general partner subsidiary 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"). 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 transactions. One of our subsidiaries will then lease the Properties from MGP for use under a long-term, "triple net" master lease agreement with a 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.

Reportable Segments

We have two reportable segments that are based on the regions in which we operate: wholly owned domestic resorts and MGM China. We currently operate 12 wholly owned resorts in the United States. MGM China's operations consist of MGM Macau resort and the development of MGM Cotai on the Cotai Strip in Macau. We have additional business activities including investments in unconsolidated affiliates, our MGM Hospitality operations and certain other corporate and management operations. CityCenter is our most significant unconsolidated affiliate, which we also manage for a fee. Our operations that are not segregated into separate reportable segments are reported as "corporate and other" operations in our reconciliations of segment results to consolidated results.

Wholly owned domestic resorts. At December 31, 2015, our wholly owned domestic resorts consisted of the following casino resorts:

Las Vegas, Nevada:	Bellagio, MGM Grand Las Vegas (including The Signature), Mandalay Bay (including Delano and Four Seasons), The Mirage, Luxor, New York-New York, Excalibur, Monte Carlo and Circus Circus Las Vegas.
Other:	MGM Grand Detroit in Detroit, Michigan; Beau Rivage in Biloxi, Mississippi; Gold Strike Tunica in Tunica, Mississippi.

Over half of the net revenue from our wholly owned domestic resorts is derived from non-gaming operations including hotel, food and beverage, entertainment and other non-gaming amenities. We market to different customer groups and utilize our significant convention and meeting facilities to maximize hotel occupancy and customer volumes during off-peak times such as mid-week or during traditionally slower leisure travel periods, which also leads to better labor utilization. Our operating results are highly dependent on demand for our services, and the volume of customers at our resorts, which in turn affects the price we can charge for our hotel rooms and other amenities. Also, we generate a significant portion of our revenue from our wholly owned domestic resorts in Las Vegas, Nevada, which exposes us to certain risks, such as increased competition from new or expanded Las Vegas resorts, and from the expansion of gaming in the United States generally.

Key performance indicators related to gaming and hotel revenue at our wholly owned domestic resorts are:

- Gaming revenue indicators: table games drop and slots handle (volume indicators); “win” or “hold” percentage, which is not fully controllable by us. Our normal table games hold percentage is in the range of 18% to 22% of table games drop and our normal slots hold percentage is approximately 8.5% of slots handle; and

- Hotel revenue indicators: hotel occupancy (a volume indicator); average daily rate ("ADR," a price indicator); and revenue per available room ("REVPAR," a summary measure of hotel results, combining ADR and occupancy rate). Our calculation of ADR, which is the average price of occupied rooms per day, includes the impact of complimentary rooms. Complimentary room rates are determined based on an analysis of retail or "cash" rates for each customer segment and each type of room product to estimate complimentary rates which are consistent with retail rates. Complimentary rates are reviewed at least annually and on an interim basis if there are significant changes in market conditions. Because the mix of rooms provided on a complimentary basis, particularly to casino customers, includes a disproportionate suite component, the composite ADR including complimentary rooms is slightly higher than the ADR for cash rooms, reflecting the higher retail value of suites.

MGM China. We own a 51% controlling interest in MGM China, which owns MGM Grand Paradise, the Macau company that owns and operates MGM Macau and the related gaming subconcession and land concessions, and is in the process of developing MGM Cotai, an integrated casino, hotel, and entertainment resort on the Cotai Strip in Macau. We believe our investment in MGM China plays an important role in extending our reach internationally and will foster future growth and profitability.

Revenues at MGM Macau are generated from three primary customer segments in the Macau gaming market: VIP casino gaming operations, main floor gaming operations, and slot machine operations. VIP players play mostly in dedicated VIP rooms or designated gaming areas. VIP customers can be further divided into customers sourced by in-house VIP programs and those sourced through gaming promoters. A significant portion of our VIP volume is generated through the use of gaming promoters. Gaming promoters introduce VIP gaming players to MGM Macau, assist these customers with travel arrangements, and extend gaming credit to these players. In exchange for their services, gaming promoters are compensated through payment of revenue-sharing arrangements or rolling chip turnover based commissions. In-house VIP players also typically receive a commission based on the program in which they participate. MGM Macau main floor operations primarily consist of walk-in and day trip visitors. Unlike gaming promoters and in-house VIP players, main floor players do not receive commissions. The profit contribution from the main floor segment exceeds the VIP segment due to commission costs paid to gaming promoters. Gaming revenues from the main floor segment have become an increasingly significant portion of total gaming revenues in recent years and we believe this segment represents the most potential for sustainable growth in the future.

VIP gaming at MGM Macau is conducted by the use of special purpose nonnegotiable gaming chips. Gaming promoters purchase these nonnegotiable chips from MGM Macau and in turn they sell these chips to their players. The nonnegotiable chips allow MGM Macau to track the amount of wagering conducted by each gaming promoters' clients in order to determine VIP gaming play. Gaming promoter commissions are based on either a percentage of actual win plus a monthly complimentary allowance based on a percentage of the rolling chip turnover their customers generate, or a percentage of the rolling chip turnover plus discounted offerings on nongaming amenities. The estimated portion of the gaming promoter payments that represent amounts passed through to VIP customers is recorded as a reduction of casino revenue, and the estimated portion retained by the gaming promoter for its compensation is recorded as casino expense. In-house VIP commissions are based on a percentage of rolling chip turnover and are recorded as a reduction of casino revenue.

In addition to the key performance indicators used by our wholly owned domestic resorts, MGM Macau utilizes “turnover,” which is the sum of nonnegotiable chip wagers won by MGM Macau calculated as nonnegotiable chips purchased plus nonnegotiable chips exchanged less nonnegotiable chips returned. Turnover provides a basis for measuring VIP casino win percentage. Win for VIP gaming operations at MGM Macau is typically in the range of 2.7% to 3.0% of turnover.

Corporate and other. Corporate and other includes our investments in unconsolidated affiliates and certain management and other operations. See Note 1 and Note 6 to the accompanying consolidated financial statements for discussion of the Company’s unconsolidated affiliates.

Results of Operations

The following discussion is based on our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013.

Summary Operating Results

The following table summarizes our operating results:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net revenues	$9,190,068	$10,081,984	$9,809,663
Operating income (loss)	(156,232)	1,323,538	1,137,281

Consolidated net revenues for 2015 decreased 9% compared to 2014 due primarily to a decrease in casino revenue at MGM China, offset by increases in casino and non-casino revenue at our wholly owned domestic resorts. Consolidated net revenues for 2014 increased 3% compared to 2013 due primarily to increased casino and non-casino revenue at our wholly owned domestic resorts.

Consolidated operating loss of $156 million in 2015 was negatively affected by an operating loss for MGM China that included a $1.5 billion non-cash impairment charge to goodwill recognized in the acquisition of a controlling interest in MGM China. We recorded a $3.5 billion non-cash gain in 2011 in connection with that acquisition. The current impairment charge, which represents approximately 42% of the amount of the previously recognized gain, resulted from our annual review of our goodwill carrying values and was incurred as a result of reduced cash flow forecasts for MGM China's resorts based on current market conditions and lower valuation multiples for gaming assets in the Macau market. In addition, the operating loss was affected by a decrease in operating results at MGM Macau. The operating loss for MGM China was partially offset by an increase in operating income at our wholly owned domestic resorts and an increase in income from unconsolidated affiliates, primarily from CityCenter, which included $80 million related to our share of the gain recognized by CityCenter as a result of the final resolution of its construction litigation and related settlements. In addition, corporate expense increased 15% to $275 million in 2015, due primarily to costs incurred to implement initiatives in relation to the Profit Growth Plan of $24 million and costs associated with our proposed REIT transaction of $20 million. Preopening expense primarily related to our ongoing MGM Cotai, MGM Springfield and MGM National Harbor development projects increased to $71 million in 2015 compared to $39 million in 2014. Consolidated operating loss in 2015 was also negatively affected by impairment charges and losses on disposal of certain assets, in addition to the MGM China goodwill impairment charge discussed above, recorded in "Property transactions, net." See "Operating Results – Details of Certain Charges" below for additional detail on our preopening expense and property transactions.

Consolidated operating income of $1.3 billion in 2014 benefited from an increase in revenue at our wholly owned domestic resorts and an increase in main floor table games revenue at MGM China, as well as a decrease in property transactions, net to $41 million in 2014 compared to $125 million in 2013. In addition, depreciation and amortization expense decreased $33 million in 2014 compared to 2013, due primarily to certain assets at our wholly owned resorts and MGM China becoming fully depreciated and a decrease in amortization expense for intangible assets. Operating income was negatively affected by increases in general and administrative expense, corporate expense and preopening expense. General and administrative expense increased primarily related to an increase in payroll and related expense. Corporate expense increased 10% in 2014, due primarily to an increase in payroll costs and professional fees partially offset by a decrease in development related costs. Preopening expense increased to $39 million in 2014, compared to $13 million in 2013, primarily as a result of the commencement of development on MGM Springfield and MGM National Harbor.

Operating Results – Detailed Segment Information

The following table presents a detail by segment of consolidated net revenue and Adjusted EBITDA. Management uses Adjusted Property EBITDA as the primary profit measure for its reportable segments. See "Non-GAAP Measures" for additional information:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net Revenues			
Wholly owned domestic resorts	$6,497,361	$6,342,084	$6,052,644
MGM China	2,214,767	3,282,329	3,316,928
Reportable segment net revenues	8,712,128	9,624,413	9,369,572
Corporate and other	477,940	457,571	440,091
	$9,190,068	$10,081,984	$9,809,663
Adjusted EBITDA			
Wholly owned domestic resorts	1,689,966	1,518,307	1,442,686
MGM China	539,881	850,471	814,109
Reportable segment Adjusted Property EBITDA	2,229,847	2,368,778	2,256,795
Corporate and other	9,073	(149,216)	(132,214)
	$2,238,920	$2,219,562	$2,124,581

Wholly owned domestic resorts. The following table presents detailed net revenue at our wholly owned domestic resorts:

	Year Ended December 31,		
	2015	2014	2013
Casino revenue, net	(In thousands)		
Table games	$880,318	$892,842	$861,495
Slots	1,720,028	1,679,981	1,671,819
Other	70,148	64,419	66,257
Casino revenue, net	2,670,494	2,637,242	2,599,571
Non-casino revenue			
Rooms	1,813,838	1,705,395	1,589,887
Food and beverage	1,500,039	1,470,315	1,382,480
Entertainment, retail and other	1,167,488	1,184,343	1,130,298
Non-casino revenue	4,481,365	4,360,053	4,102,665
	7,151,859	6,997,295	6,702,236
Less: Promotional allowances	(654,498)	(655,211)	(649,592)
	$6,497,361	$6,342,084	$6,052,644

Casino revenue increased 1% in 2015 compared to 2014 due to a 2% increase in slots revenue as a result of a 3% increase in slots volume. Table games revenue in 2015 decreased 1% compared to 2014 due to a decrease in table games volume of 1% and a decrease in tables games hold percentage to 20.5% in 2015 from 20.9% in 2014.

Casino revenue in 2014 increased 1% compared to 2013 as a result of a 4% increase in table games revenue compared to 2013 due to an increase in table games volume of 2% and an increase in tables games hold percentage to 20.9% in 2014 from 20.5% in 2013. Slots revenue increased slightly compared to 2013.

Rooms revenue increased 6% in 2015 compared to 2014 as a result of a 7% increase in REVPAR at our Las Vegas Strip resorts. Rooms revenue increased 7% in 2014 compared to 2013 as a result of an 8% increase in REVPAR at our Las Vegas Strip resorts. The following table shows key hotel statistics for our Las Vegas Strip resorts:

	Year Ended December 31,		
	2015	2014	2013
Occupancy	93 %	93 %	91 %
Average Daily Rate (ADR)	$149	$139	$131
Revenue per Available Room (REVPAR)	138	129	119

Food and beverage revenues increased 2% in 2015 compared to 2014 primarily as a result of increased convention and banquet business as well as the opening of several new outlets. Food and beverage revenues increased 6% in 2014 compared to 2013 as a result of the same items noted above for the 2015 and 2014 comparative period. Entertainment, retail and other revenues decreased 1% in 2015 compared to 2014 due primarily to a 5% decrease in revenue from Cirque du Soleil production shows, partially offset by a 5% increase in retail revenue. Entertainment, retail and other revenues increased 5% in 2014 compared to 2013, due primarily to the Michael Jackson ONE Cirque du Soleil production show being open for the full year in 2014 compared to a partial year in 2013.

Adjusted Property EBITDA at our wholly owned domestic resorts was $1.7 billion in 2015, an increase of 11% compared to 2014 due primarily to improved casino and non-casino revenue results at our wholly owned domestic resorts as discussed above, and approximately $63 million of incremental Adjusted Property EBITDA as a result of the Company's Profit Growth Plan initiatives. Adjusted Property EBITDA margin increased by approximately 200 basis points to 26.0% in 2015.

Adjusted Property EBITDA at our wholly owned domestic resorts was $1.5 billion in 2014, an increase of 5% compared to 2013 due primarily to improved casino and non-casino revenue results at our wholly owned domestic resorts as discussed above, offset partially by a 4% increase in payroll and related expenses, including health care costs and paid time off. Adjusted Property EBITDA margin increased by approximately 10 basis points from 2013, to 23.9% in 2014.

MGM China. The following table presents detailed net revenue for MGM China:

	Year Ended December 31,		
	2015	2014	2013
Casino revenue, net	(In thousands)		

VIP table games	$977,182	$1,742,034	$2,062,200
Main floor table games	986,063	1,237,528	923,415
Slots	209,098	261,971	290,596
Casino revenue, net	2,172,343	3,241,533	3,276,211
Non-casino revenue	135,585	147,754	141,503
	2,307,928	3,389,287	3,417,714
Less: Promotional allowances	(93,161)	(106,958)	(100,786)
	$2,214,767	$3,282,329	$3,316,928

Net revenue for MGM China decreased 33% in 2015 compared to 2014 primarily as a result of a decrease in VIP table games revenue of 44%, as well as a decrease in main floor table games revenue of 20%. VIP table games turnover decreased 54% compared to the prior year, while VIP table games hold percentage increased to 3.3% in 2015 from 2.8% in 2014. Slots revenue decreased 20% in 2015 compared to 2014 due to a 23% decrease in slots volume. Casino revenue continued to be negatively affected throughout 2015 by the changes in economic factors and policy initiatives in China that began to take place in 2014.

MGM China's Adjusted EBITDA was $540 million in 2015 and $850 million in 2014. Excluding branding fees of $39 million and $43 million for the years ended December 31, 2015 and 2014, respectively, Adjusted EBITDA decreased 35% compared to 2014. Adjusted EBITDA margin decreased approximately 150 basis points to 24.4% in 2015 primarily as a result of a decrease in casino revenue.

Net revenue for MGM China decreased 1% in 2014 compared to 2013 due to a decrease in VIP table games revenue of 16%, partially offset by a 34% increase in main floor table games revenue. VIP table games turnover decreased 14% in 2014 compared to 2013, primarily as a result of changes in economic factors and policy initiatives in China. VIP table games hold percentage remained flat at 2.8% in 2014 and 2013. Additionally, gaming tables were reallocated to main floor table games from VIP table games during 2014 to meet increased demand. Main floor gaming revenue benefited from overall Macau market growth as well as management's strategic focus on premium main floor table games business in 2014 as compared to 2013. Slots revenue decreased 10% in 2014 compared to 2013 due to a decrease in hold percentage to 4.4% in 2014 from 5.1% in 2013.

MGM China's Adjusted EBITDA was $850 million in 2014 and $814 million in 2013. Excluding branding fees of $43 million and $36 million for the years ended December 31, 2014 and 2013, respectively, Adjusted EBITDA increased 5% compared to 2013. Adjusted EBITDA margin increased approximately 140 basis points to 25.9% in 2014 as a result of an increase in main floor table games revenue, partially offset by a 15% increase in payroll and related costs.

Corporate and other. Corporate and other revenue includes revenues from other corporate operations, management services and reimbursed costs revenue primarily related to our CityCenter management agreement. Reimbursed costs revenue represents reimbursement of costs, primarily payroll-related, incurred by us in connection with the provision of management services and was $399 million, $383 million and $365 million for 2015, 2014 and 2013, respectively.

Adjusted EBITDA related to corporate and other in 2015 included our share of operating income from CityCenter, including certain basis difference adjustments, compared to operating loss from CityCenter in the prior year, and an increase in our share of operating income from Borgata in 2015 compared to 2014. See "Operating Results – Income (Loss) from Unconsolidated Affiliates" for further discussion. The increases in income from CityCenter and Borgata were partially offset by increased corporate expenses in 2015 compared to 2014 as discussed previously under "Summary Operating Results."

Adjusted EBITDA losses related to corporate and other increased in 2014 compared to 2013 due primarily to our share of operating loss from CityCenter, including certain basis difference adjustments, compared to operating income from CityCenter in the prior year, partially offset by an increase in our share of operating income from Borgata. See "Operating Results – Income (Loss) from Unconsolidated Affiliates" for further discussion. In addition, corporate expense increased in 2014 compared to 2013 as discussed previously under "Summary Operating Results."

Operating Results – Details of Certain Charges

Stock compensation expense is recorded within the department of the recipient of the stock compensation award. The following table shows the amount of compensation expense recognized after reimbursed costs and capitalized costs related to employee stock-based awards:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		

Casino	$7,571	$7,351	$5,879
Other operating departments	2,580	2,257	2,241
General and administrative	10,729	9,323	8,176
Corporate expense and other	20,966	18,333	16,036
	$41,846	$37,264	$32,332

Preopening and start-up expenses consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
MGM China	$13,863	$9,091	$9,109
MGM National Harbor	32,837	19,521	—
MGM Springfield	19,654	5,261	—
Other	4,973	5,384	4,205
	$71,327	$39,257	$13,314

Preopening and start-up expenses at MGM China relate to the MGM Cotai project which includes $7 million of amortization of the Cotai land concession premium in each of the years ended December 31, 2015, 2014 and 2013. Preopening and startup expenses at MGM National Harbor include $19 million and $13 million of rent expense for the years ended December 31, 2015 and 2014, respectively, which relates to the ground lease for the land on which MGM National Harbor is being developed. Preopening and start-up expenses at MGM Springfield primarily relate to licensing and assessment fees paid to the state and local governments.

Property transactions, net consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
MGM China goodwill impairment	$1,467,991	$—	$—
Grand Victoria investment impairment	17,050	28,789	36,607
Gain on sale of Circus Circus Reno and Silver Legacy investment	(23,002)	—	—
Corporate buildings impairment	—	—	44,510
Other Nevada land impairment	—	—	20,354
Other property transactions, net	41,903	12,213	23,290
	$1,503,942	$41,002	$124,761

See Note 15 to the accompanying consolidated financial statements for a discussion of property transactions, net for the years ended December 31, 2015, 2014 and 2013.

Operating Results – Income (Loss) from Unconsolidated Affiliates

The following table summarizes information related to our income (loss) from unconsolidated affiliates:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
CityCenter	$158,906	$(11,842)	$21,712
Borgata	75,764	52,017	25,769
Grand Victoria and other	23,213	23,661	21,348
	$257,883	$63,836	$68,829

In 2015, our share of CityCenter's operating results, including certain basis difference adjustments, was $159 million and included $80 million related to our share of a gain recognized by CityCenter as a result of the final resolution of its construction litigation and related settlements, compared to an operating loss of $12 million in 2014. Casino revenue at Aria increased 6% in 2015 compared to 2014 due primarily to an increase in table games volume and slots volume of 2% and 3%, respectively. CityCenter's rooms revenue increased 5% in 2015 compared to 2014, due to increases in REVPAR of 6% and 8% at Aria and Vdara, respectively. The increase in revenues from resort operations was partially offset by a decrease in residential revenues. CityCenter's operating income in the current year benefited from a $99 million decrease in depreciation expense as a result of certain furniture and equipment becoming fully depreciated in December 2014 offset in part by $20 million in accelerated depreciation for certain assets associated with the Zarkana theatre, which is scheduled to close in April 2016. CityCenter's operating income also benefited from a $26 million decrease in legal and professional fees as a result of the final resolution of construction litigation and related settlements. Our share of Borgata's operating income increased in 2015 compared to 2014 due to an increase in casino and non-casino revenues and improved operating margins.

In 2014, we recognized a $12 million loss related to our 50% share of CityCenter's operating results, including certain basis difference adjustments, compared to income of $22 million in 2013. CityCenter's operating loss in 2014 was negatively affected by $62 million of property transactions, net and a decrease in residential sales compared to 2013, as well as an increase in payroll and related costs and casino bad debt expense. Casino revenues at Aria decreased 5% in 2014 compared to 2013 due primarily to a decrease in table games hold percentage to 23.5% in 2014 from 24.7% in 2013. CityCenter's rooms revenues increased 11% in 2014 compared to 2013, due to increases in REVPAR of 10% and 14% at Aria and Vdara, respectively. Our share of Borgata's operating income increased in 2014 compared to 2013 and benefited from a reduction in real estate taxes recognized by Borgata.

Non-operating Results

Interest expense. The following table summarizes information related to interest on our long-term debt:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Total interest incurred – MGM Resorts (excluding MGM China)	$808,733	$816,345	$830,074
Total interest incurred – MGM China	53,644	29,976	32,343
Interest capitalized	(64,798)	(29,260)	(5,070)
	$797,579	$817,061	$857,347
Cash paid for interest, net of amounts capitalized	$776,540	$776,778	$840,280
End-of-year ratio of fixed-to-floating debt	67/33	77/23	75/25
End-of-year weighted average interest rate	5.9 %	6.0 %	6.0 %

In 2015, interest cost related to MGM Resorts, excluding China, decreased compared to 2014 as a result of a decrease in the average long-term debt outstanding during the year related to our senior notes. Interest cost related to MGM China increased in 2015 compared to the prior year due to an increase in the average outstanding amounts borrowed under the MGM China credit facility and an increase in the amortization of debt issuance costs resulting from costs incurred associated with the refinancing of the MGM China credit facility in June 2015. In 2014, interest cost related to MGM Resorts, excluding China, decreased compared to 2013 as a result of a decrease in weighted average long-term debt outstanding during the year, primarily relating to borrowings under our revolving credit facility. Amortization of debt discounts, premiums and issuance costs included in interest expense in 2015, 2014 and 2013 was $46 million, $38 million and $35 million, respectively.

Capitalized interest in 2015 increased compared to 2014 due primarily to the MGM Cotai, National Harbor, and Springfield projects, and our investment in the Las Vegas Arena Company. Capitalized interest in 2014 and 2013 primarily related to the MGM Cotai project.

Non-operating items from unconsolidated affiliates. Non-operating expense from unconsolidated affiliates decreased $11 million in 2015 compared to 2014, due primarily to a decrease in interest expense at CityCenter. Non-operating expense from unconsolidated affiliates decreased $121 million in 2014 compared to 2013, due to a decrease in interest expense at CityCenter as a result of debt restructuring transactions in October 2013, lower statutory interest recorded by CityCenter related to estimated amounts owed in connection with the CityCenter construction litigation and the net impact of the following other non-operating items from unconsolidated affiliates recognized in 2013: a $70 million loss for our share of CityCenter’s loss on retirement of long-term debt in October 2013, and $12 million for our share of a gain recognized on debt restructuring transactions at Silver Legacy.

Income taxes. The following table summarizes information related to our income taxes:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Income (loss) before income taxes	$(1,046,243)	$410,886	$62,190
Benefit (provision) for income taxes	6,594	(283,708)	(20,816)
Effective income tax rate	0.6 %	69.0 %	33.5 %
Federal, state and foreign income taxes paid, net of refunds	$11,801	$42,272	$835

Our effective tax rate in 2015 was impacted by the non-cash impairment charge on MGM China goodwill for which we did not record income tax benefit. Our effective tax rate decreased in 2015 compared to 2014 primarily as a result of providing greater tax benefit in 2015 than in 2014 for foreign tax credits, net of valuation allowance, partially offset by tax benefit resulting from audit settlements in 2014. Our effective tax rate increased in 2014 compared to 2013 primarily as a result of the reduced tax benefit in 2014 for foreign tax credits, net of valuation allowance, partially offset by tax provision in 2013 resulting from re-measuring the Macau net deferred tax liability due to the extension of the amortization period of the MGM China gaming subconcession upon effectiveness of the Cotai land concession.

Cash taxes paid decreased in 2015 compared to 2014 primarily as a result of a $16 million refund of taxes and associated interest received in 2015 on the closure of the IRS examination of CityCenter, which is treated as a partnership for income tax purposes which partially offset federal income tax estimated tax payments of $23 million made during the year. The remaining $5 million of cash taxes paid in 2015 consist of state and foreign income taxes. Cash taxes paid increased in 2014 compared to 2013 primarily as a result of $30 million paid to IRS for the closure of examinations covering the 2005 through 2009 tax years and $8 million estimated taxes paid to the IRS during 2014. The remaining $4 million of cash taxes paid in 2014 consist of state and foreign income taxes. Cash taxes paid in 2013 consisted primarily of foreign and state taxes.

Non-GAAP Measures

“Adjusted EBITDA” is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, and property transactions, net. “Adjusted Property EBITDA” is Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which is not allocated to each reportable segment or operating segment, as applicable. MGM China recognizes stock compensation expense related to its stock compensation plan which is included in the calculation of Adjusted EBITDA for MGM China. Adjusted EBITDA and Adjusted Property EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because management believes these measures are 1) widely used measures of operating performance in the gaming and hospitality industry, and 2) a principal basis for valuation of gaming and hospitality companies.

We believe that while items excluded from Adjusted EBITDA and Adjusted Property EBITDA may be recurring in nature and should not be disregarded in evaluation of our earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods being presented. Also, we believe excluded items may not relate specifically to current operating trends or be indicative of future results. For example, preopening and start-up expenses will be significantly different in periods when we are developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within our resorts, but also includes gains or losses on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period. In addition, capital allocation, tax planning, financing and stock compensation awards are all managed at the corporate level. Therefore, we use Adjusted Property EBITDA as the primary measure of wholly owned domestic resorts operating performance.

Adjusted EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income, as an indicator of our performance; or as an alternative to cash flows from operating activities, as a measure of liquidity; or as any other measure determined in accordance with generally accepted accounting principles. We have significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in Adjusted EBITDA or Adjusted Property EBITDA. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDA or Adjusted Property EBITDA information may calculate Adjusted EBITDA or Adjusted Property EBITDA in a different manner.

The following table presents a reconciliation of Adjusted EBITDA to net loss attributable to MGM Resorts International:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Adjusted EBITDA	$2,238,920	$2,219,562	$2,124,581
Preopening and start-up expenses	(71,327)	(39,257)	(13,314)
Property transactions, net	(1,503,942)	(41,002)	(124,761)
Depreciation and amortization	(819,883)	(815,765)	(849,225)
Operating income (loss)	(156,232)	1,323,538	1,137,281
Non-operating income (expense)			
Interest expense, net of amounts capitalized	(797,579)	(817,061)	(857,347)
Other, net	(92,432)	(95,591)	(217,744)
	(890,011)	(912,652)	(1,075,091)
Income (loss) before income taxes	(1,046,243)	410,886	62,190
Benefit (provision) for income taxes	6,594	(283,708)	(20,816)
Net income (loss)	(1,039,649)	127,178	41,374
Less: Net income (loss) attributable to noncontrolling interests	591,929		