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Q1 2006 MGM MIRAGE Earnings Conference Call  
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Jim Murren MGM MIRAGE - President, CFO, Treasurer  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel, Secretary  
   
Rick Unidentified (ph) MGM MIRAGE  
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Robin Farley UBS - Analyst  
   
Harry Curtis JP Morgan - Analyst  
   
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Joseph Greff Bear Stearns - Analyst  
   
David Anders Merrill Lynch - Analyst  
   
Jay Cogan Banc of America Securities - Analyst  
   
Dennis Forst Keybanc - Analyst  
PRESENTATION  
   
Operator  
Good morning, and welcome to the MGM MIRAGE first quarter conference call. Joining the call today from the Company are Terry Lanni,  
Chairman and Chief Executive Officer, MGM MIRAGE, Jim Murren, President, CFO and Treasurer, MGM MIRAGE, Bobby Baldwin,  
President and Chief Executive Officer, Mirage Resorts, Gary Jacobs, EVP, General Counsel and Secretary, MGM MIRAGE, and Gamal Aziz,  
President and Chief Operating Officer, MGM GRAND Las Vegas. Participants are in a listen-only mode. After the Company's remarks,  
there will be a question-and-answer session. [OPERATOR INSTRUCTIONS] Now I would like to turn the call over to Mr. Jim Murren.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, thank you, Crystal. We are excited about being here with you all today to talk about our first quarter and our outlook for the rest  
2006 and beyond. As you know, as is our case, we are broadcasting this call on our website, mgm-mirage.com, as well as on  
companyboardroom.com. A replay of this call will be available on our website. We filed an 8-K today with all the press release  
information, as well as all the supplemental information we like to give to you to further detail our results.  
I'm obligated to read the following safe harbor disclosure as I do every quarter. Information that we present on the call may contain  
forward-looking statements as defined by the SEC. Such forward-looking statements are protected by the safe harbor amendments of  
the Private Securities Litigation Reform Act of 1995. You can identify such statements by the use of the words "we expect," "we  
anticipate," and similar phrases. These forward-looking statements may include information about future earnings, expected business  
developments, anticipated capital expenditures, future financing alternatives or other statements made about future periods.  
Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from estimates. Listeners  
should also refer to our disclosures about risks and uncertainties made in our filings with the SEC. That's the best I've done on that one,  
Terry, I think!  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
You're getting very, very good.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
I'm getting good at reading. With that, I'm going to turn it over to Terry Lanni to talk about our overall results.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Thank you, Jim. Good morning, ladies and gentlemen. You notice they Gamal Aziz's name was mentioned as he was introduced as the  
President of MGM GRAND Las Vegas. Gamal and his team have done a spectacular job of re-energizing that resort over the past several  
years and the resort's numbers have certainly affirmed that particular work. He's here on behalf of John Redmond who could not be with  
us this morning because of a commitment that he just couldn't get out of.

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Earlier today we reported diluted earnings per share of $0.49 for the first quarter and that's an increase of 29% from the $0.38 per share  
we earned in the first quarter of 2005, and a new record for quarterly earnings. In fact, it's a record for any quarter in the Company's  
histories so e are very pleased with those results.  
Overall this was a very satisfying performance for us. Many market observers were wondering if we could continue our rather robust  
earnings growth and we did as a result of strong operating results at all of our major properties. Our operating results were also once  
again positively impacted by the acquisition of Mandalay Resort Group, including our strategy of increasing occupancy at the Mandalay  
resorts. And for the quarter, four of those properties had significant increase in occupancy and we are pleased with that and one was  
pretty much equal to where it was before. That was Circus Circus Las Vegas. A very strong convention and events calendar in maintaining  
our operating margins through very strong financial discipline by our people.  
On the development side of life, I want to talk to you a little bit about that. Detroit Casino is on schedule and on budget for a late '07  
opening. Macau remains on schedule and on budget for fourth quarter opening in the same year of 2007 and we are pleased with  
developments in both of those areas. Singapore, I think you are aware that there were 11 bidders for the marina site. It's down to four of  
us now, and Minister Lim, the Senior Minister of the government of the Republic of Singapore, indicated that they thought a decision  
could be rendered as early as the end of May, certainly no later than June of this year. And we're hopeful there, and we have a strong  
position and we feel very confident about that. But it's obviously not our determination.  
Foxwoods was announced yesterday. We're very excited and very committed to this partnership with the Mashantucket Pequot tribal  
nation and there are several aspects to the arrangement. The most immediate and concrete is our assistance with the development of an  
expansion of Foxwoods' already highly successful casino in Ledger, Connecticut. That will carry our brand name of MGM Grand and there  
are a series of fees for these different activities that we're going to be performing on behalf of the Mashantucket's Pequots. In fact, we  
have taken this as an opportunity, we think, for similar arrangements with other entities, and have taken one of our senior executives,  
Scott Snowe, and made Scott the president of a new company that will be a division dealing with these types of opportunities and  
investments and potential opportunities for the Company. So we're very excited about that as an additional avenue of business for us. We  
are obviously seeking other opportunities related to future development. In combining the expertise that we have and in this case with a  
very powerful name of the Mashantucket Pequots, a very successful organization.  
We look at the others, we are going to talk about some details in our other projects, the Beau Rivage, the rebuilding of that. Bobby will  
cover that, along with Project CityCenter and more details on MGM Grand Detroit from Gamal. With that, I would now like to turn the  
meeting back to Jim with additional comments on our financial results.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Thank you, Terry. As we said, we reported GAAP earnings per share in the quarter of $0.49. We also incurred in the quarter $0.07 per  
share of items that we would have added back under our previous presentation. So obviously, we easily exceeded our guidance for the  
quarter, pretty significantly. Our guidance was $0.50 and you can do the math.  
Slot revenues were up in the quarter, versus 2005. We had particularly strong performances at MGM GRAND. If that's why you're here,  
Gamal, you're going to talk about that a little bit, and at Treasure Island, and all the properties did well, but those are highlights.  
Table game volumes and revenues were also up. Table game revenue was up 4% and our hold percentage was right in the middle of our  
range for both periods.  
From a standpoint of cash flows, and on hotel revenues, hotel revenue was up 7% in the quarter on a same-store basis. We had very  
strong occupancy, good increases in rates and we had more room nights available and that's a good combination. On a same-store basis,  
strip REVPAR was up 3% against a really tough comp. We were up 15% year-over-year in the 2005 quarter. We had 60,000 more hotel  
room nights available in the current quarter, and that, of course, is the benefit we had in revenues there as well. We had a particularly  
good activity at the MGM GRAND Las Vegas and I'm sure we can talk about that as well in terms of the room activity there. On a pro  
forma basis, strip REVPAR was also up 3%.

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Moving to EBITDA, of course, EBITDA is -- as we are defining it here, same-store EBITDA was up. It was $396 million, same-store, of  
course, is the legacy MGM properties, versus the year ago period to give you a good comparison on that. Obviously we've added the  
Mandalay properties on top of that and other presentations in the release.  
Property transactions and if you adjust for that, property transactions and preopening, obviously we did even better, much better in the  
current quarter and our same-store property EBITDA would have increased 4% on an apples-to-apples basis. Also on a same-store basis,  
if you were to look at it adjusting for the items we just talked about, our margins were 36%, very high, and consistent with last year.  
As relates to Mandalay, we will get into this more, I'm sure in the Q&A. We're very proud of the integration of that fine company into  
MGM MIRAGE. Those properties performed extremely well in the quarter, combined cash flows or EBITDA, they were up 8% on the Las  
Vegas strip, after adjusting for preopening and property transactions.  
We promised to give you a cost savings revenue enhancement; in other words, like a synergy update every quarter. We have implemented  
so for on an annualized basis $145 million of synergies. The last number we gave you was 135. So I like the trend. We continue to find  
opportunity there. And we're working on a lot of initiatives, including many purchasing and information technology initiatives, which we  
believe will make that number continue to grow. So that's it for me for right now and I will turn it over to Bobby to talk more about Mirage  
resorts.  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
Thank you, Jim, and good morning, everyone. I will report on the first quarter results for Mirage Resorts and beginning with Bellagio.  
Bellagio's first quarter EBITDA was $110 million, after adjusting for the writeoff expense of $11 million relating to the demolition of the  
tram between Monte Carlo and Bellagio, and, of course, in preparation for CityCenter. This was the single best quarter in Bellagio's  
history, up 4% on an apples-to-apples basis versus last year. Hotel revenue increased $4 million or about 5%, and -- on a 5% increase in  
REVPAR. In March 2006, Bellagio hotel revenue averaged $1 million per day, setting an all-time monthly record. Bellagio was successful  
in continuing to reduce its operating expenses. Payroll expense decreased by $4 million as the spa tower normalized its operation this  
year. Total expenses decreased by 2%, compared to the first quarter of 2005, resulting in 120 basis point improvement in profit margin at  
the Bellagio.  
For The Mirage Casino Hotel here in Las Vegas, the recent investments at The Mirage are having a very strong impact on its operating  
results. The Mirage experienced its best quarter ever since the opening of Bellagio. EBITDA for the first quarter was $66 million  
compared to $53 million for the first quarter of last year, resulting in an EBITDA margin of 37% or up 380 basis points versus last year.  
Gaming revenue increased 16.5% due to a strong Chinese New Year's and Super Bowl and, of course, it benefited from the addition of the  
new high limit rooms, both in slots and table games at The Mirage. And non-gaming revenues increased 5%. The Mirage experienced its  
highest quarterly hotel revenue ever on a 3% increase in REVPAR.  
The new food and beverage outlets at The Mirage are performing very well. Overall food and beverage revenue is up 14% compared to  
last year. Revenue from the remodeled Kokomo's increased by 23% in the first quarter. FIN, our new contemporary Chinese outlet, has  
been a big hit with the high-end customers. The new Stack restaurant has proven to be as popular as its sister restaurant Fix at Bellagio.  
Still to come is Japane, a gourmet combination of Japanese and European cuisine, which is scheduled to open in August. Finally, Jeff's,  
the new night club at The Mirage, has quickly become one of the top clubs in the Las Vegas Strip. Also Revolution, a Beatles CDS, or  
Cirque du Soleil Ultra Lounge will be opening in the fourth quarter of this year. Ticket sales have begun for "Love, " the highly anticipated  
new Cirque du Soleil and Beatles collaboration. Initial ticket sales are very strong, and the show will open to the public on June 2nd of  
this year. The combination of the new show and other high-end amenities will help to propel The Mirage into the must-see status,  
must-see status on the Las Vegas Strip and we are excited about its initial results from all of these improvements.  
As it relates to New York, New York and Treasure Island, just a couple of notes. New York, New York had its highest EBITDA ever at $39.2  
million. The ADR was also an all-time record at 146 compared to 140 in last year. TI had its best quarterly EBITDA in over ten years at  
$31.6 million.

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As it relates to Beau Rivage, Beau Rivage has made tremendous progress during the first quarter of this year. It remains on track for its  
August 29th re-opening. The interior of the facility is being transformed daily from a construction site into a beautifully redesigned luxury  
resort. The property has an online work force now, or on site work force of 1,700 men and women. Tower furniture and fixture installation  
began April 17th. Slot machine delivery is scheduled for mid-May. The new food and beverage outlets have taken shape and are  
developing distinct personalities. The gourmet dining outlets will have all new concepts and designs at Beau Rivage. Room reservations  
will open soon, on May 3rd. Beau Rivage hotel sales have been booking convention groups, of course, since January. The market mix is  
primarily comprised of Mississippi, Alabama, Louisiana, and all indications of the market is very strong in that region and that the  
customers are awaiting the reopening of this wonderful facility. On April 17th, Beau Rivage successfully opened its employment center,  
processing over 2,000 applications in the first four days of operations. This demonstrates the community response is extremely good,  
and that Beau Rivage continues to be the employer of choice on the Gulf Coast.  
The Biloxi market has remained steady throughout the first quarter, with reported gross gaming revenues of over $186 million, which is  
54% of the prior year's results, in spite of the fact that only three casinos were open versus 12 casinos in 2005.  
CityCenter, schematic design is complete for the Caesar Pelly hotel casino. And of course, this design continues for all the buildings  
within CityCenter. Several renowned interior designers have now joined the team for CityCenter, including Adam Cahani, BBGM out of  
New York, and David Rockwell out of New York. The interior designers will complement the contemporary building themes established  
by the design architects.  
The Boardwalk hotel and casino, as you already know, closed on January 9th and the demolition of this building is scheduled for May 9th.  
What you may not know is that 90% of the demolition for this Boardwalk Casino is being recycled as part of our lead or leadership in  
energy and environment efforts for CityCenter. Excavation work for the Caesar Pelly hotel casino has already begun and foundation work  
will begin in May.  
The new Bellagio employee parking garage, which is adjacent to Frank Sinatra Drive, is progressing on schedule with seven floors  
complete of the ten floors. Bellagio employees will begin parking in this garage in mid-July, of course, in preparation to clear the entire  
CityCenter site.  
Site work has begun for the construction of CityCenter's residential center. The sales center will be located on Las Vegas Boulevard,  
between New York, New York and Monte Carlo. Construction groundbreaking is scheduled for the first week of May, and this facility is  
expected to open to the public in the fourth quarter of this year.  
Design development has begun for the residential preview centers to also be located in the lobbies of Bellagio and The Mirage. These  
discovery centers will build interest and excitement and connect our resort guests with the residential sales opportunities at CityCenter.  
We continue to receive multiple calls and e-mails of interest each week and expect to begin taking sales reservations in the third quarter  
of this year. And that concludes my report, and I will turn it over to my colleague, Gamal Aziz.  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Good morning. Thank you, Bobby. I would like to begin with the MGM GRAND. In Q1, MGM GRAND had another great quarter, despite  
the fact that the whole percentage was down approximately 260 basis points from prior year. EBITDA was $80.8 million, versus $85.3  
million in Q1 prior year. The impact of the lower hold percentage was approximately $8 million in EBITDA. The property continued to see  
strong momentum across the board, hosting record room revenue, ADR, and food and beverage revenue, and near record volumes in slot  
and table gain. Room revenue is up approximately $11 million or 20% from prior year, driven by higher ADR and occupancy. The  
impressive improvement in occupancy and rate was achieved even though there was approximately 60,000 more available rooms in Q1  
this year versus Q1 prior year, as a result of the west wing tower being out of service during the first quarter of 2005.  
A quick update on The Signature at the MGM GRAND, formerly The Residences. Tower One and Two are sold out and available for  
occupancy, May and December, respectively, of this year. Tower Three is 80% sold and is expected to be completed in December of  
2007. The average sales price per square foot for Tower Three continues to grow, reaching $1,057 per square foot, compared to $1,033  
per square foot in our last earnings release. With respect to Tower One, our share of the joint venture gain is expected to approximate

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$36.4 million in Q2 and $18 million in Q3.  
With regards to the convention market at MGM GRAND, the convention demand remains strong with ADR up approximately 6% in Q1  
and expected to be up approximately 11 to 12% in Q2.  
Mandalay Bay. Q1 was the highest EBITDA quarter in the history of the property with EBITDA of $78.2 million versus $73 million in Q1  
prior year. The catalyst for the impressive improvement was an increase in occupancy from 85.7% to 91.2%. The increase in occupancy of  
approximately 24,000 room nights led to record revenue in rooms and food and beverage. Additionally, both table games and slots  
realized double digit growth in wins. With regards to the convention market at Mandalay Bay, the convention demand also remains  
strong with ADR up 1% and expected to be up approximately 2 to 3% in Q2.  
In April, we opened the first phase of the full remodel which included increasing the number of cabanas by 30%, as well as refurbishing  
the existing cabanas and improvements to the Mauna Lea Beach Club. The initial response has been exceptional and the performance  
has exceeded our expectations.  
Phase II of the pool project will begin in November and will consist of a bungalow and villa complex which will include poolside gaming,  
rentable sun villas and bungalows, a new restaurant bar, new retail and new entrance and a larger beach area.  
At Luxor, Luxor had an outstanding record quarter with EBITDA of $43.3 million, versus $38.5 million in Q1 prior year. The management  
team at Luxor did a great job driving occupancy, booking 44,000 more room nights while maintaining a flat ADR, leading to the highest  
room revenue quarter in the history of the property. Our previously stated strategy for Mandalay Bay, Luxor and Excalibur of driving  
occupancy and focusing on getting the proper product mix on the slot floor has been successful.  
To date, we have replaced over 2,100 slot machines at the three properties for the first quarter. Slot revenue growth between the three  
properties increased 24%, with Luxor and Excalibur growing by 29% and Mandalay Bay by 16%. And at the Excalibur, we also achieved  
its highest EBITDA quarter ever with EBITDA of $35.8 million, up approximately 16% over prior year.  
MGM Grand Detroit. In Q1, Detroit continued its strong performance with EBITDA of $37.1 million versus $38.9 million in Q1, prior year.  
The current quarter EBITDA was negatively impacted in the amount of $2.4 million by the increased gaming tax of 200 basis points that  
was effective January 1, 2006. Construction on the permanent MGM Grand Detroit continues to be on time and on budget with expected  
opening of late Q4 '07. And with that, I will turn it over to Jim Murren for additional comments.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, thank you, Gamal. Let's get into the quarter a little bit more and then we'll talk about the outlook. Interest expense, gross interest  
in the quarter was $214 million. Cap interest was 17 to give you a net interest of 197. As it relates to preopening and start-up, that was  
primarily related to project CityCenter as Bobby talked about it, MGM Grand Macau, and the signature MGM GRAND Las Vegas. The  
property transaction number of 24 million, most of that was the tram that Bobby talked about. I think that's the second time we have  
written off this tram isn't it? We are getting good at writing off the tram and that will be the last. So that was a major portion of that. And  
obviously, that was related to CityCenter as well.  
On the financial side, we bought back 1 million shares in the quarter for $38 million. Our remaining authorization is 13.5 million shares.  
On a capital side, we spent $380 million of capital at the existing resorts and also on development initiatives. Excluding Beau Rivage, the  
investment amount was $260 million. That's lower than the guidance that we gave you, approximately 350, 350 million, as we spent less  
on CityCenter than our forecast and we'll catch up on that later this year. 170 million of the CapEx was on development projects, MGM  
Grand Detroit, CityCenter and on MGM Grand Macau. The remaining 90 million of the capital spend in the quarter was on the existing  
resorts. I'd look at the theater at The Mirage as a good example, the restaurants at The Mirage and some good spending, as Gamal  
talked about, at Mandalay to enhance that property. Burt really across the board, capital was lower than we had forecasted and we'll  
catch up on that and that was primarily the Deltawood CityCenter.

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From the stand point of our balance sheet, at the end of the quarter, we had $1.8 billion available under our credit facility but right after  
that, we issued $750 million of fixed rate debt. That's actually two traunches. We did a 7 and a 10-year, both under 7%. We hit the market  
well on that. So now that you take that into account, we actually have about $2.6 billion available under our credit facility and our  
fix-to-floating rate is 65% fixed, 35% floating.  
I would like to talk a little bit about the outlook before we get to your questions. We gave guidance in our release of approximately $0.50  
a share on a GAAP basis. That includes stock option expense of around $0.04 a share in the quarter. It also includes approximately --  
well, let's say $0.06 to $0.08 of preopening expenses and property transactions. It further includes approximately $0.08 a share related  
to our share of the estimated profit, net of tax, of Tower One that Gamal talked about at the MGM GRAND. We expect that cash flow will  
increase nicely in the quarter, up in the mid to high single digit range. In other words, accelerating off the first quarter results on a pro  
forma basis, including Mandalay for both periods and excluding Beau Rivage. Obviously, it's closed.  
Other income statements, forecast, we expect corporate expense to be in the $40 million range and that includes the stock option  
expense related to corporate employees. Interest expense, we think will be slightly higher than the first quarter. On a gross basis, gross  
interest, we are looking for between 225 to 230 million. Cap interest would be between 20 and 25 million, we believe. Depreciation in our  
forecast is in the 160 to $165 million range, and our tax rate, we estimate to be in the quarter of 36%. As it relates to other guidance, we  
expect to spend in the quarter, on CapEx, around $350 million. That, again, excludes Beau Rivage as the same presentation we gave to  
you last time and our full year guidance is still the same that we gave you last year in the $1.3 billion range, also excluding Beau Rivage.  
So with that, we have exactly a half hour for questions and I'll turn it over to Crystal so we can get right to it. Thank you.  
QUESTIONS AND ANSWERS  
   
Operator  
Thank you. [OPERATOR INSTRUCTIONS] We'll pause for just a moment to compile the Q&A roster. Your first question comes from  
Lawrence Klatzkin with Jefferies.  
   
Lawrence Klatzkin Jefferies - Analyst  
Hello, guys. Good results. A couple of questions here. One, Aqueduct, any timing on that? No word on lower taxes possibly.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, Gary Jacobs is our specialist on New York Racing Association. And before Gary gets that, I have a question for you, Larry. How are  
you always first? How do you do that? You have to teach me how you get there.  
   
Lawrence Klatzkin Jefferies - Analyst  
I'm dating all the operators at all these services! [ LAUGHTER ]  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
All right. Nice.  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel, Secretary  
All right, this is Gary. We are dealing with New York. We have all the papers. It's all in the hands of the lottery. Everything that we are  
supposed to have done, we have done. We are prepared to go forward and we are waiting for the many approvals that need to come out  
of New York. As for timing, it's New York, so I can't predict.  
   
Lawrence Klatzkin Jefferies - Analyst  
Okay. Okay. But there's no word they are trying to lower taxes?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
No. They don't support that. They don't lower taxes in New York.

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Lawrence Klatzkin Jefferies - Analyst  
All right. No, no. Some other operators are claiming it will happen. The Foxwoods deal. What kind of value are we talking about for MGM  
Connecticut, MGM Grand Connecticut, what do you kind of get out of it and the $200 million investing, what do you get for that?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Well, I will take a stab at that, Larry. The arrangement we have with the tribe is an excellent one for both parties, we believe. We are  
going to provide consulting services to the tribe in the areas of development, management, marketing operations and for that, we're  
going to receive fees. We haven't disclosed those fees yet and we will do so in due course. We are excited about working with them and  
obviously having a flag in Connecticut and MGM Grand will be of great value to us and we believe to them from a cross marketing  
opportunity. So on one level, we will be receiving fees for helping them build out further this destination resort in Connecticut. On the  
second level, we're entering into a joint venture. And that joint venture's job is to go out and look for deals that could be high return deals  
that, perhaps are too small for MGM MIRAGE to look at, since we're involved in a lot of deal flow and we have a lot to go, and a lot to do  
right now and perhaps are not of the type that Foxwoods currently can tackle, both from a management or financial perspective. And so  
that joint venture strengthens and we'll go out and look at deals. To the extent that we find deals that we like, MGM MIRAGE has agreed  
to invest into the joint venture up to $200 million.  
   
Lawrence Klatzkin Jefferies - Analyst  
So you haven't put 200 million in yet?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
No, we haven't funded it at all. That will come in due course and only if we find opportunities that we mutually believe to be acceptable  
and excellent. And frankly, there are a lot out there, in a consolidated industry, there may be new casinos, there may be existing casinos,  
there may be things overseas or here in the U.S. that may be Native American opportunities where their relationships are extraordinarily  
strong. It may be opportunities that we have looked at and would liked to have done but we don't feel like we have the return on effort in  
terms of the personnel available to do it. And we, as Terry mentioned, we have deployed a very senior executive that has the skill set to  
maximize these opportunities. So we like the arrangement. We signed an MOA with them. We have been working with the regulators.  
Everyone seems to be very excited about this opportunity, and we'll be moving forward.  
   
Lawrence Klatzkin Jefferies - Analyst  
Will you be involved with their Mississippi casino or is that totally separate?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
It will be determined.  
   
Lawrence Klatzkin Jefferies - Analyst  
So you might be able to help them with -- with development and management of the $400 million Biloxi property?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
We might do anything.  
   
Lawrence Klatzkin Jefferies - Analyst  
Okay. As far as --  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
This will be the last question, Larry. You were only supposed to get one.  
   
Lawrence Klatzkin Jefferies - Analyst  
Okay. Just your outlook for Las Vegas in the next quarter and such.

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Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, it's raining this morning. But outlook obviously for the current quarter is better than the last quarter and last quarter was pretty  
darn good. We're expecting to have a strong quarter in the second quarter and the momentum is likely to carry on through the balance of  
the year.  
   
Lawrence Klatzkin Jefferies - Analyst  
Fantastic. Congratulations on the results.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Thank you.  
   
Operator  
Your next question comes from Robin Farley with UBS.  
   
Robin Farley UBS - Analyst  
Great. Thanks. Two questions, one is -- well, first thanks for the level of disclosure. I don't think other companies give this level of  
disclosure. I did just want to clarify, there was a lot of property-by-property color. You mentioned hold overall was in the normal range for  
both periods but it sounded like it was below normal at the Grand. I don't know if you specified which other property may have been  
above -- above normal hold percentage.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, that, Robin, was the one that was the greatest delta year-over-year. In most every other case, we're up and down, but within a few  
hundred basis points. That one, a couple hundred basis points. That one was, as Gamal mentioned, a more significant delta. That's why  
we called it out.  
   
Robin Farley UBS - Analyst  
Is there another property where the delta was up a little bit more than the others?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Yes, The Mirage was up. We had nice baccarat play there and good hold there versus a year ago.  
   
Robin Farley UBS - Analyst  
And then in terms of the opening and transactions, can you give a little more guidance? I know normally you only give guidance out in a  
quarter but it's tougher to estimate those types of costs. Can you give a little more color sort of for the full year, rough level of the  
opening, transactions, maybe even for next year as well, just a range to think about?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, more guidance on the current quarter, if you'd like, and then I'll give you a little bit in the third and fourth quarter. Primarily on the  
preopening side in the quarter that you will see some at -- obviously the preopening you will see some at The Signature and, of course, at  
The Mirage casino hotel, when you open up a big new show, you're going to have preopening and we'll have that in the quarter at The  
Mirage. Those are the big items. There's some little bits and pieces like Macau and Borgota, but those in the quarter were the principal  
ones.  
As it relates to property transactions, the larger numbers of that number that we gave you would be at Mandalay Bay as we get rid of the  
wedding chapel and we're going to do some restaurant remodeling there as well.  
As it relates to the balance of the year, the numbers are more insignificant. We'll be able to fine tune those as we move forward, but a  
company our size, always doing things, you're going to have property transactions which are primarily writeoffs of existing parts of our  
building. So expect to see them at some of the properties that we are spending money at like the Mandalay resort properties. Expect to  
see that probably also at Mirage a little bit more, and probably also at Luxor -- well, Luxor we already mentioned.

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As it relates to preopening, preopening numbers would be obviously CityCenter would be a big component of that on a going forward  
basis and I would say that's the biggest number and Detroit. Dan just mentioned Detroit as well.  
   
Robin Farley UBS - Analyst  
Is there a run rate for CityCenter and Detroit that we can think about for the next 12 months?  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
About 600 a month.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Yes. Rick said we'll be able to do a better job next quarter on that but Bobby you're saying around -- 600 on CityCenter. So we'll give you  
a better one for the third and the fourth quarter going forward. I don't anticipate collectively the numbers will be as large as what we're  
estimating in the second quarter for the balance of this year, quarterly.  
   
Robin Farley UBS - Analyst  
Okay. Great. Thank you.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
You're welcome.  
   
Operator  
Your next question comes from Harry Curtis with JP Morgan.  
   
Harry Curtis JP Morgan - Analyst  
Good morning. A couple of quick questions. First of all, you gave us some color on the forward demand for group bookings for convention  
demand. I think that was at MGM. Could you give us a better sense of that overall as we get deeper into the year, particularly for  
Mandalay Bay, and then the second question relates to Pennsylvania. With your alliance now with Foxwoods, does that open up an  
opportunity for you in Pennsylvania?  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
Harry, this is Bobby Baldwin. Gamal mentioned what his was and it looks like the second quarter bookings are very strong for the Mirage  
component of the Company. We are up 5.5% looking at the second quarter over the second quarter last year.  
   
Harry Curtis JP Morgan - Analyst  
And is that 5%, 5.5% in volume? Can you give us a sense of what kind of pricing you might see on those rooms?  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
Yes, we're up 3% in rate and 2% in occupied convention rooms.  
   
Harry Curtis JP Morgan - Analyst  
Okay. All right.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Do you want to add anything to that, Gamal?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Well, basically, ours, for the second quarter, we are projecting about 16% in room nights and also we're looking at an increase of about  
2% in ADR.

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Harry Curtis JP Morgan - Analyst  
Okay. I'm sorry, that 16%, was that overall across the Mandalay Bay or just Mandalay Bay?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Across the Mandalay Bay resorts, yes.  
   
Harry Curtis JP Morgan - Analyst  
Okay. All right.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
So and as it relates to Pennsylvania, well, the joint venture will -- we'll take a look at Pennsylvania.  
   
Harry Curtis JP Morgan - Analyst  
Okay. Thanks a lot.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
You're welcome.  
   
Operator  
Your next question comes from Bill Lerner with Prudential Equity Group.  
   
Bill Lerner Prudential Equity Group - Analyst  
Thanks. Hey, guys. Given general concerns about capital intensity on the strip, can you talk a little bit about how you'll at this stage think  
you'll buy down that project cost at CityCenter? I think you'll have somewhere in the 2.3 million square foot range of residential once it's  
up and running. Should we -- can we assume, given the types of revenue per square foot, or what you are getting per square foot at The  
Signature, can we assume that -- that given those rates, we can extrapolate that to those 2.3 million or so square feet and be able to buy  
it down at least on a gross basis volume, like a tremendous amount?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, I will tackle the current environment and then Bobby will talk about CityCenter. The profit numbers that we're seeing here on the  
Towers at MGM are greater than we gave you last quarter. The reason for that is that the tower construction costs have come in below  
what we had thought, and therefore, our profit is going to be greater. And we're seeing good pricing from our perspective in terms of  
controlling construction costs on the residential product at the MGM GRAND so therefore you should see better profitability in Tower  
Two and Tower Three and we are excited about reporting those results to you in the future. The point here is that if you have good  
contractors, good construction people, and you manage the properties well, you can do extraordinarily well on residential, if you have the  
right location. Obviously CityCenter's location is the best, we believe, on the strip. And therefore, we should probably see very good  
spreads between overall costs and what we sell them for, especially since sales prices continue, as Gamal mentioned, continue to go up.  
So maybe I will -- a broader question, maybe Bobby you can talk about CityCenter's construction's procurement.  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
Well, Bill, it's about 2.4 million square feet in residential component. As you know, CityCenter's entire cost is budgeted to be around $7  
billion. The total proceeds from the residential component of the CityCenter is about $3 billion. So obviously, we would net that against  
the overall development costs for CityCenter.  
   
Bill Lerner Prudential Equity Group - Analyst  
Okay. And where are you at on the other facets of buying it down? I know that your thinking has been evolving on the retail front and  
what might you do as it relates to the other hotel towers?

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Jim Murren MGM MIRAGE - President, CFO, Treasurer  
You are asking how much -- like how much steel have we bought, concrete -- ? Yes, what we have done, obviously with -- Parini is our  
general contractor. Tishman, who is riding herd from our perspective correct in terms of --. We are looking at direct sourcing globally on a  
lot of these materials. We are looking at changing our budgets to hard numbers and I don't want to speak for Bobby, but I will, and then  
correct me if you think I'm wrong, that we feel like the numbers we have given you, we feel very comfortable with, because as we convert  
our thinking from estimates to real numbers.  
   
Bill Lerner Prudential Equity Group - Analyst  
Right. That's helpful. Thanks, guys.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Okay. Thank you.  
   
Operator  
Your next question comes from Joseph Greff with Bear Stearns.  
   
Joseph Greff Bear Stearns - Analyst  
Good morning, guys. Jim, a quick question on your outlook, your guidance of mid to high single digit pro forma property EBITDA growth  
rate. Within the different properties, should we expect a higher growth rate from the Mandalay properties and Mirage and something a  
little bit lower than that for the balance of the property? And then looking out through the back half of the year, are there any projects or  
investments at any of the Mandalay properties that might cause some disruption?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, as it relates to the year-over-year performance, it's pretty much across the board. Legacy, I guess. After next quarter, we won't say  
that anymore, right? Because we've lapped the merger with Mandalay Resort Group. But it's really much across the board in terms of  
growth. We see good up and down market activity at every price point that we cater to and that's -- that's good news for us. As it relates  
to the second part of your question, in terms of construction disruption at any particular property, you know, it -- we are doing quite a bit  
of work at Mandalay. I picked that as one that would be potential possible. Any other properties that we could say that?  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
No.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
We will be done with Mirage. Bellagio is perfect. Any other -- no. I would say Mandalay Bay. The GRAND is done. TI is done pretty much,  
right? No. If there was any at all -- and we don't use it as an excuse ever, but if there would be any at all, it would be at Mandalay Bay.  
   
Joseph Greff Bear Stearns - Analyst  
Okay, great. And then one other question. I know you don't give guidance beyond the current quarter, but I think you gave out a number  
for profits for I guess Tower Two to be recognized in the fourth quarter, which was somewhere between 50 and 60 million. Is that still a  
good number to use, both the absolute number and the timing?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
It will probably be the fourth quarter and the first quarter of the following year but most of it probably in the fourth quarter, and the profit  
number will likely be as the first tower was, likely be greater than we gave you last quarter.  
   
Joseph Greff Bear Stearns - Analyst  
Got you. Great. Thank you.  
   
Operator  
Your next question comes from David Anders with Merrill Lynch.

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David Anders Merrill Lynch - Analyst  
A few questions. First, Jim, just kind of a housekeeping one and then one for Bobby and Gamal. With respect to the $0.50 guidance, that  
includes roughly a $0.06 to $0.08 hit from property writeoffs but also includes an 8% gain from the tower sales -- the condo sales. Is  
that correct, Jim?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Yes, $0.08, not 8%.  
   
David Anders Merrill Lynch - Analyst  
$0.08, right. So it's kind of a wash as far as one time. And then Bobby or Gamal, could you comment, gaming revenue, even excluding  
wins, has been just outstanding on the Vegas strip. Is there anything that's changing out there, that you guys are picking up on in slot  
revenue, table revenue? Any kind of big trends that you are seeing?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
I will start, Dave. As far as we are concerned, table gaming revenue has increased in our properties primarily because of all the amenities  
that we have added. Our properties have become a must-see destination. We are seeing great traffic increased throughout all of our  
properties, and it's driven by these exceptional shows that we have added, the restaurants, the new nightclubs, bars, and it's just adding  
more attractions. There are more people that are flying into Las Vegas. There are more people that are driving into Las Vegas and it's just  
a net result of our properties being significantly better than others. And that -- that is primarily why we've seen this increases. Bobby?  
   
Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
And David, I think -- I think that Gamal is right, that competition is alive and well in Las Vegas. All of our buildings are continuously in the  
process of being brand new with concepts and ideas and restaurants and clubs and new entertainment in the form of shows. And I think  
that the public is excited more about Las Vegas than ever. And we don't see that trend changing.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
And the other point I make, David, going back to your first question, is the consensus in the quarter -- of course, as you know, we don't  
give guidance on consensus out beyond the current quarter but the consensus, I believe, Dan, was $0.49 in the quarter but several  
analysts, and a couple on the call here, included the profit from the Tower A into their numbers. So you have to be a little bit careful on  
that, because if you take that out, of course, the guidance we're giving today is substantially above consensus.  
   
David Anders Merrill Lynch - Analyst  
Got it. Thank you.  
   
Operator  
Your next question comes from Jay Cogan with Banc of America Securities.  
   
Jay Cogan Banc of America Securities - Analyst  
Yes, hi. Good morning. I have a few questions for you. I apologize, Jim, I missed the official presentation, so if you commented on a couple  
of these already, my apologies. But I was wondering, could you talk a little bit about the corner of Tropicana and the Las Vegas Strip. I  
was kind of wondering what your thoughts are with respect to the Aztar potential transaction here and also I think if I remember  
correctly, you have 15 acres of land pretty much adjacent to that property, just separated by a street. What's your thoughts on that?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well -- [ LAUGHTER ] I will tackle that. I think we could all say in this room, we are happy that we acquired Mandalay Resort Group a year  
ago and not today. The implied price -- I guess I'm seeing, you guys do this more than we do, for Aztar's acreage is like in the mid 20s,  
like $24 million an acre for the 34 acres. Now we, as you know, own 831 acres on the strip. So that's fun math to do, if you ever want to do  
it. 350 acres of which is un or under-developed for us so there's a lot of opportunity. Specifically on the 15 acres you are talking about,  
yes, it's just to the south of Tropicana, separated by Reno. I think that's Reno Drive, isn't it?

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Bobby Baldwin MGM MIRAGE - President, CEO, Mirage Resorts  
Yes.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
And it's currently a surface parking lot and it's probably a higher and better use for acreage at 20 plus million than a service parking lot.  
We get a lot of calls on that land and other land. There's nothing in the hopper right now but obviously the value of that has gone up  
substantially and it got our attention.  
   
Jay Cogan Banc of America Securities - Analyst  
And how do you think about the -- the potential on who the winner is here for the development of that asset and timing or --it obviously  
is kind of an important corner for you and I'm wondering how you think about that strategically?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Well, we are excited about that. Any development there would be of great benefit to the other three corners which we own. So, you know,  
we hope that whoever ends up with it doesn't run it like it's being run today because that doesn't help us much, and instead builds  
something compelling, which would help us. So we're rooting for people that are going to invest in it.  
   
Jay Cogan Banc of America Securities - Analyst  
Okay, and a couple of quickies. I think the question of monetizing opportunities at Project CityCenter came up but I think it was primarily  
focused on the condo opportunities. Can you talk a little bit about where your heads are right now with regards to possibly monetizing  
the boutique hotels, the retail, any other aspects of it, and also, just on the kind of hotel or condo development, could you -- I don't know  
if you mentioned the potential for a fourth or fifth tower or other excess land that you might decide to develop on.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Thank you. Thanks for bringing up that again, because I don't think we answered the question exactly right. CityCenter has been  
designed, in fact, we are spending extra money on CityCenter so that if we choose to in the future, we could compartmentalize CityCenter  
and buy down our risk. I think that's what Bill was talking about. I don't think I answered it correctly. By selling pieces of it, we could sell  
the retail over time if we wanted to. We could sell a hotel or two if we wanted to. We could bring in partners on residential, if we wanted  
to. We don't want to right now. And so -- but we're designing in such a fashion that they could be easily separated, especially on the  
retail side. As it relates to other residential development, obviously, the success of The Signature product at MGM GRAND and our  
confidence in the marketplace, as long as you are aligned with a good brand and a good location, would imply that we would be looking  
at other properties and other residential developments outside of MGM and CityCenter and we are, and if and when there's something to  
announce, we will do so.  
   
Jay Cogan Banc of America Securities - Analyst  
Great. Thanks a lot.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Thank you.  
   
Operator  
Your next question comes from Dennis Forst with KeyBanc.  
   
Dennis Forst Keybanc - Analyst  
Yes, good morning. I wanted to ask Gamal if he could give us a little primer on how you plan to handle the rooms at the towers, as hotel  
rentals. How should we think about that in terms of modeling and how are you going to handle them in terms of marketing?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Dennis, well, this is obviously a model that's been employed elsewhere in other cities. With us, it's just a little larger. So once we close the  
sale on these condominiums, we are going to ask the owners to participate in a rental program. We're promoting it as an extension of the

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MGM GRAND. Our strategy with the MGM GRAND has always been to spin off some brands that benefit from the umbrella brand of  
MGM GRAND. So The Signature at the MGM GRAND has already been promoted to all the meeting planners out there. We have got  
some extraordinary responses about a property that has -- that is entirely non-smoking, that is away from the casino, which is very  
attractive to this profile of customer. Obviously this will be a percentage, as far as profitability with the owners. So we look at The  
Signature of the MGM GRAND as an extension of the MGM GRAND and we will promote it accordingly. The rates, obviously, will be  
higher, much higher, than the MGM GRAND product, because of the square footage that is supported there and all the other amenities.  
So as I said, in our trips marketing to our meeting planners, they have been very enthusiastic about it and I expect it to be very successful.  
   
Dennis Forst Keybanc - Analyst  
About what percentage of the rooms do you think will be included in your base?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
What percentage? We're expecting so far, our surveys tell us about 80% of the owners will put their product, their condominiums, into  
the rental pool. So that is obviously what we're hearing. It could be more or less, once we do close these sales.  
   
Dennis Forst Keybanc - Analyst  
Okay. And that would -- by the end of this year, that would bring you up to over 6,000 rooms or pretty close to 6,000 rooms. Can you sell  
6,000 rooms on a weekend?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Well, the perfect example, Dennis, is when we brought back the 60,000 additional room nights in the first quarter, not only did we sell  
them, but we sold them at a higher rate and we increased the occupancy. The demand is out there. Obviously, this is a new product and  
how the market would respond to it remains to be seen. But we're very, very excited about the response we have seen from a lot of the  
meeting planners that have seen the product and walked it and visited it.  
   
Dennis Forst Keybanc - Analyst  
And the first tower will go into your rental July? Is that a reasonable time frame?  
   
Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
Dennis, we begin closure on the middle of May and obviously the closure takes time. So obviously, we're -- we're going to be closing all  
the way until the end of August, and then you have the selection process. So really the third quarter is when you are going to start seeing  
some of these occupancies take place.  
   
Dennis Forst Keybanc - Analyst  
Okay. Great. Thank you.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Thanks, Dennis. Operator, I think we have time for one more question, if there is one.  
   
Operator  
Yes, sir, you have a follow-up question from Lawrence Klatzkin with Jefferies.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
First and last, Larry.  
   
Lawrence Klatzkin Jefferies - Analyst  
Oh, boy that's fun. Just accounting for our models. Are you going to do a separate line item for the rentals of The Signature, or are you  
just going to throw it into the rooms but you are only going to get a portion of it so it kind of messed up the room rate. How are you going  
to structure that in the financials so we can just model it properly?

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Gamal Aziz MGM MIRAGE - President, COO, MGM GRAND Las Vegas  
The profit of it, obviously is income from unconsolidated affiliates and we'll break it out and then the revenue will be in other revenue.  
   
Lawrence Klatzkin Jefferies - Analyst  
Okay. And do you know how the fee structure is working with them, or are you still negotiating that with the condo owners?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
We know but we have not disclosed that to you yet.  
   
Lawrence Klatzkin Jefferies - Analyst  
Could you?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
Nope.  
   
Lawrence Klatzkin Jefferies - Analyst  
Okay. And then the last thing, just Atlantic City Land. I know, Terry, you have been quoted a couple of times in the papers about -- talking  
about CityCenter West or whatever. Could you guys say anything about that?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Actually it would be CityCenter East. Did you move Atlantic City on us?  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
It's been a long couple of days.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
It's a significant piece of property. We are very interested in developing CityCenter, as you know, here and it's going to be developed in  
Las Vegas. We think it will be a modified form of that, on reasonably close acreage, 55 acres compared to the 66 acres we have here,  
would be a perfect and fitting responsibility for that. As I indicated on our earlier telephone call a couple of quarters ago, we couldn't  
have found a better partner than Boyd Gaming. They are great people and they're doing a wonderful job on our behalf and their behalf at  
Borgata but frankly, the enhancement of the value of Renaissance Point is such that we have indicated to them that we've decided we  
want to move ahead and when we do move ahead on our own with that particular piece of land. That is our intent and I think as we get  
further down the road here in the next year, year and a half, we get get far more serious than CityCenter East.  
   
Jim Murren MGM MIRAGE - President, CFO, Treasurer  
And Larry, I mean, just to help you a little bit, the industry standard on these type of condo/hotel deals. You basically split the economics  
with the owner of the unit. Generally they are a 50/50 kind of deal. That's as good a guess for you as any, I think.  
With that, I think we can wrap up this call. We want to thank you all for participating and as always, if you have any follow-up questions,  
please give us a call and we look forward to chatting with you again in three months. Thank you very much.  
   
Operator  
Thank you for participating in today's MGM MIRAGE first quarter conference call. You may now disconnect.  
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John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
   
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PRESENTATION  
   
Operator  
Good morning, and welcome to the MGM MIRAGE second quarter conference call. Joining the call from the Company today are Terry  
Lanni, Chairman and CEO of MGM MIRAGE; Jim Murren, President, CFO and Treasurer of MGM MIRAGE; Bobby Baldwin, President and  
CEO of Mirage Resorts; John Redmond, President and CEO of MGM Grand Resorts; and Gary Jacobs, EVP, General Counsel and  
Secretary of MGM MIRAGE.  
Participants are in a listen-only mode. After the Company's remarks, there will be a question-and-answer session. [OPERATOR  
INSTRUCTIONS]. Now I will like the turn the call over to Mr. Jim Murren.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Thank you, Shannon. Good morning, everyone.  
As always, our conference call here is being broadcast on our internet sight MGMMirage.com and is also on companyboardroom.com. A  
replay of that call -- this call will be available on our website. We had filed the Form 8K this morning with our press release, and so you  
can look at that if you like. In addition, we have quite a bit of information that we put on our website, not only the release itself but as you  
know we have a considerable amount of supplemental information to help you understand our Company most fully and that is -- been  
posted, and I would direct your attention to it. As always, I am obligated to read you the Safe Harbor disclosure. Information we present  
on this call may contain forward-looking statements as defined by the SEC. Such forward-looking statements are protected by the Safe  
Harbor amendments of the Private Securities Litigation Reform Act of 1995. You can identify such statements by the use of the words we  
expect, we anticipate, and similar phrases. These forward-looking statements may include information about future earnings, expected  
business developments, anticipated capital expenditures, future financing alternatives, or other statements made about future periods.  
Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from estimates. They  
haven't lately, have they, Terry?  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
No, they haven't.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Listeners should also refer to our disclosures about risks and uncertainties made in our filings with the SEC. So with that, I'd like to turn it  
right over to Terry Lanni to discuss our overall results.

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Terry Lanni MGM MIRAGE - Chairman and CEO  
Thank you very much, Jim, and good morning.  
Earlier today we reported diluted EPS of $0.50 for the second quarter of this fiscal year. This is a record for the second quarter, exceeding  
last year's previous record of $0.48 per share and in fact is an all-time record for any quarter in our Company's history. And our earnings  
of $0.50 per share was exactly the guidance that we gave on April 26 during our last earnings call. Just briefly on some operation results,  
more detail will come from Bobby and John, but net revenues increased 4%, and you if you look on a same-store basis it would be 5%.  
We're very comfortable, we had very strong slot results with slot revenues up 4%. Baccarat volume increased 19% on a same-store basis,  
indicating continued strength in the high end segment. Operating income was $428 million which was an increase of 13%, and property  
EBITDA was 645 million, up 15%, with excellent margins, and Jim will cover that in much more detail shortly.  
From our perspective, the trends in Las Vegas are excellent. We feel that our competitive position has never been stronger than it is  
today. As an indicator of that, I'll note that MGM MIRAGE has the three highest EBITDA-producing properties on the Las Vegas Strip in  
the second quarter, with combined property EBITDA of over $280 million at Bellagio, MGM Grand Las Vegas and Mandalay Bay, and in  
fact Bellagio had all-time record for any quarter in the history of -- since the opening of Bellagio. Now, not everyone has had a great  
second quarter here in Las Vegas. We've seen that in recent reports. We're pleased to say that we had an excellent second quarter and  
are very comfortable with that.  
On a development update we continue to make substantial progress on key development initiatives. MGM Grand Macau remains on  
schedule as we've indicated for some period of time now for a 2007 fourth quarter opening and remains on budget. Work continues at a  
substantial pace on the permanent casino resort at MGM Grand Detroit and on the rebuilding of Beau Rivage which will reopen later this  
month on the 29th, which is the one-year anniversary date of the Katrina disaster. And of course, project CityCenter is the heart of our Las  
Vegas development. We remain very bullish on Las Vegas, and we expect significant growth to continue in this marketplace. We believe  
our strategy of disciplined growth here in the United States and abroad continues to move forward. We continue to reinvest in our  
existing portfolio with strong returns on targeted projects such as new restaurants, night clubs, and the very exciting LOVE show at the  
Mirage, which recently opened. And we remain focused on maintaining a conservative balance sheet and financial flexibility to prudently  
invest in new projects as they become available to this Company.  
I'd now like the turn the meeting over to Jim for a few more comments on the financial results.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, thank you, Terry.  
Consistent with the last quarter, we're reporting, as you know, GAAP earnings. We'd estimated we'd earn $0.50 on a GAAP basis, and  
that's exactly what we did. A few items that affect the comparability of earnings we put into the release, but I'd just like to highlight it for  
you all just so we're all on the same page. One, the profits of Signature, we'ev made a tremendous amount of money -- profit on  
Signature, both Towers A, B and we will on C as well. We had said that we're going to make $0.12 a share for Signature between the  
second and third quarter. We'd guessed $0.08 this quarter in the second, $0.04 in the third quarter. It's actually going to be 6 and 6. So  
we had $0.06 instead of $0.08 profit in the second quarter; we'll make that up in the current quarter.  
Secondly, we had $0.06 a share of preopening and property transactions. Our guidance was $0.06 to $0.08 there. That compared to a  
penny last year. Our stock option expense in the current quarter that we just reported was $0.04. And of course, Beau Rivage is not  
currently open. It contributed $0.04 last year and obviously nothing this year. Another little gift that we had from the fine state of Illinois  
that was not in our guidance that cost us a penny a share in the second quarter by the retroactive tax increase. So that gives you the  
apples-to-apples. It's in the release, but I just wanted to highlight it here.  
From a detailed perspective, our gaming revenue in the quarter was up 5%. Slot revenue was up 4 on a same-store basis particularly  
strong results over it the MGM Grand here in Las Vegas, also MGM Grand Detroit and TI. On a same-store basis, table games revenue  
was up 9% in the quarter, baccarat volume, I think Terry mentioned we had a good quarter there, was up 19%. Our hold percentages

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were in the normal range for both periods this year and last year, although this year we're at the upper end of our range. As you can see  
from the supplemental results that we published today that -- and as Terry mentioned, we had strong results at all three of the big  
properties here. But Bellagio was the primary beneficiary of the hold percentage increase.  
On a hotel perspective, our same store RevPAR was up 3% on the Strip. And that was against a really tough comp, we were up 15%  
year-over-year in the second quarter of '05. Pro forma basis also Strip RevPAR was up 3%. On an EBITDA basis, our guidance there, if  
you remember, we said EBITDA would be up in the mid- to high-single digits in the quarter. We were considerably better than that. Our  
same store EBITDA was up 13% against that guidance of mid- to high-single digits, and our margins were up significantly; they were 33%  
EBITDA margin last year, 36% this year. So 36 this year versus 33 a year ago. Mandalay, we're over a year into this combination of these  
two companies. Last quarter, we reported that we had achieved 135 million of cost savings and revenue enhancements, and since we're  
past a year on that, we're going to close the book on that like we did in the Mirage transaction, though I'd say that there's much more to  
come here as we've intimated before and in fact I think it was just last week, John, Mandalay got Players Club. Was that last week?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
That is correct.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
So the major revenue enhancements of deploying our technology throughout the newly-acquired properties as well as the overall cost  
savings, we've got a lot more to go here, but we've already booked over 135 million. So that's, I think, gratifying to us.  
So with that, I'll turn it over to John, and I'll be back to you with a little bit of guidance later.  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Thanks, Jim. Good morning, everyone.  
Q2 was a very strong quarter across the board for all the MGM Grand Resort properties. Realizing the Mandalay properties were owned  
for only 66 days of Q2 prior year, all results that I'm going to discuss are for the full quarter for comparability purposes when I refer to the  
prior Q2. Start with MGM Grand. Of course it had a very solid quarter with EBITDA of 75.2 million versus 85.6 million in Q2 prior year.  
EBITDA in Q2 '06 was negatively impacted by a $5.8 million charge for preopening expense related to the opening of the first tower of  
Signature and a $1.6 million write-off to make way for a new bar concept. The property continues to see strong demand as evidenced by  
the record quarter in slot revenue and near-record revenues and rooms, food and beverage. Speaking of records in history, the second  
quarter marks the first closing of a condo hotel unit in the Company's history with 303 of the 516 units in Tower 1 of the Signature closed  
as of June 30th. Approximately 65% of the closed units have been placed in the rental program. We expect the remaining units to close  
by early August. For the quarter, we recognized a gain related to said closings of 27.9 million, the remaining gain for Tower 1 of 26.2  
million will be recognized in Q3 '06. The room product is, of course, a very high quality suite that we expect to get a premium rate. Initial  
customer response to this product has been exceptional, but due to the limited number of rooms available for the quarter, it's too  
preliminary to provide ADR and occupancy guidance. With regards to Tower 2, we expect closings to begin in November and December  
'06, as we previously mentioned with an estimated gain in excess of 70 million. Tower 3 to date is 83% sold and expected to be  
completed in May 2007. With regards to the convention market in MGM Grand, demand remained very strong with ADR up  
approximately 8% in Q2 and expected to be up approximately 4% in Q3. Convention room nights in Q3 are expected to be up an  
incredible 67%.  
Moving over to Mandalay Bay, Q2 was another exceptional quarter of Mandalay Bay, with [inaudible] 76.8 million versus 77.1 million in  
Q2 prior year. Negatively impacting the quarter were write-offs of 2.8 million, mostly related to the closing of the wedding chapel and a  
restaurant. Excluding the write-offs, the property had the best results in the history of the property. The catalyst for the impressive  
improvement was an increase in occupancy from 90.9% to 95.7%. The increase in occupancy of approximately 21,000 room nights led to  
record revenues in rooms, food and beverage, and retail. Additionally, slots realized double-digit growth in win. With regards to the  
convention market of Mandalay Bay, demand also remains very strong with ADR up slightly in Q2, but expected to be down slightly in  
Q3. However, we expect convention room nights to be up an impressive 36% in Q3 at the property.

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Moving over to Luxor, it had, of course, an outstanding quarter, with EBITDA of 41.4 million versus 40.5 million in Q2 of prior year.  
EBITDA for the quarter was negatively impacted by the closing of Hair Spray which resulted in a $4.2 million write-off. The management  
team at Luxor continued to do a fantastic job of driving occupancy from 96.5% in Q2 '05 to 98.3% in Q2 '06. This occupancy increase  
coupled with a 10% improvement in ADR to $132 led to the highest room revenue quarter in the history of the property.  
Moving to Excalibur, Q2 EBITDA of 35.7 million was the highest ever achieved versus 30.9 million in Q2 prior year. This excellent quarter  
was driven by strong results across all departments leading to record net revenues. In particular slots were up 10%.  
In Detroit, Q2 was very strong. That property continued its strong performance with EBITDA of 38.5 million versus 38.8 million in Q2  
prior year. The current quarter EBITDA was negatively impacted by the amount of 2.1 million, which relates to the increased gaming tax  
of 200 basis points that went into effect January 1, '06, this year. Slot revenue for the quarter was up 7%. In addition to the strengthening  
results, construction on the permanent facility continues to progress smoothly and ahead of schedule with an expected opening date in  
Q4 '07.  
Borgata, quickly. Boyd obviously provided information on the property and the expansion of their conference call. We are extremely  
pleased with the performance and the impact to date of the first phase of the expansion. The early results are tracking our expectations  
and we look forward to operating uninterrupted for the foreseeable future.  
I will now turn it over to my colleague, Bobby Baldwin.  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
Thank you, John, and good morning, everyone.  
I'll, of course, report on the second quarter results for Mirage Resorts. My report will include highlights for Bellagio and the Mirage and  
also construction updates on Beau Rivage and CityCenter. Bellagio's second quarter EBITDA was 131 million. It was the highest quarter  
ever recorded for Bellagio and was 34.5 million or 36% more than the second quarter of '05. Gaming revenue was 24% higher than prior  
year. Table games drop was up, being led by a 17% increase in baccarat drop versus last year. That was also a second quarter record for  
baccarat drop at Bellagio. Slot handle was also up 8%. Hotel revenues were up 2 million on an ADR increase of $10. RevPAR at 248 was  
up $11 or 5% over the prior period and was the highest second quarter RevPAR in Bellagio's history. Finally, Bill [McBeth] and the  
management team at Bellagio have been able to decrease the operating expenses as they've experienced a full year of operations with  
the new Spa Tower, and Bellagio was successful in reducing these expenses. Payroll expenses decreased by 4.4%, which help lead to an  
EBITDA margin of 38%, a 690-basis point improvement over last year.  
EBITDA at the Mirage for the second quarter was 41.7 million, down slightly, 2.7 million, from last year's due to a $4.2 million expense in  
preopening associated with the LOVE show prepared by -- or performed with the Cirque du Soleil group. The Mirage continues to break  
hotel revenue records by posting 47 million in the second quarter, the highest of any quarter in Mirage's history. RevPAR was 172, and  
that was up $6 or 3% compared to last year. Capitalizing on the success of the new restaurants, lounges and night clubs, all of which  
opened within the last year, the Mirage food and beverage division had revenue increases of 25% quarter -- this quarter over last year's  
comparable quarter. There's more to come later this year with Japonais, a gourmet combination of Japanese and European cuisine  
scheduled to open in August; and Revolution, a 7,000 square foot Beatle and Cirque du Soleil themed ultra lounge scheduled to open in  
the fourth quarter at the Mirage Casino Hotel. LOVE, the highly-acclaimed collaboration between the Beatles and Cirque du Soleil, had  
its grand opening on Friday, June 30th. The reviews have been great, and we're very excited about the show's success. In fact, the show  
continues to receive a standing ovation with every performance. The preview period between June 2nd and the regularly scheduled  
shows -- the preview period began June 2nd, and the regularly scheduled shows began on July 3rd. July's show occupancy is running  
90% and is expected to continue to improve due to the strong advance ticket sales.  
Update on Beau Rivage. Beau Rivage will reopen August 29th, the anniversary of Hurricane Katrina. At this point, the final touches are  
being made in preparation for this very special date. The entire property has been upgraded to give Beau Rivage a more updated and  
stylish appearance. New amenities include a completely renovated hotel tower, the addition of a poker room, and three new gourmet  
restaurants. Beau Rivage will open with 2,120 slot machines, 93 table games and 16 poker tables. All food and beverage outlets will be

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open except for the three gourmet rooms, which will open in the fourth quarter of this year. Six retail outlets will be open with the  
remaining seven to come online as they are finished throughout the rest of the year. Additionally, the 1550 seat show room will not open  
until December, but the ball room is able to accommodate large audiences and has already been booked for headliners scheduled to  
begin in September. The property's reopening will put approximately 3800 employees back to work and will be a leading force in  
advancing the economic recovery of the entire Biloxi region. During the employment process, Beau Rivage received 18,000 job applicants  
and Beau Rivage selected the top 21% of this job pool. Rehire statistics indicate a return rate of 55% of the previous Beau Rivage  
employees. As of year-to-date June for the first six months in 2006, Mississippi Gulf Coast gaming revenues were 374 million which is  
56% of the prior year's, or pre-Katrina, results. Currently the five casinos in operation are generating $322 per gaming position per day  
compared to the prior year's results of $161 per gaming position. Based on these numbers, Beau Rivage anticipates a very successful  
reopening, thus reestablishing the property's market leading position.  
Finally an update on CityCenter. Project CityCenter continues on schedule and on budget for a November '09 opening. From a timing  
perspective, all areas of the project have successfully completed the schematic design and are currently moving into the final design  
phases with the transition into design -- through the design development phase. We're into interiors on all the buildings. From a cost  
perspective, the focus continues to be placed on identifying and capitalizing on cost savings opportunities. This effort is supported by a  
team of construction cost engineers from Perini, the general contractor; and Tishman, the executive construction manager for the  
project. So far this approach has yielded savings in the buildings and procurement process. For example, savings were achieved in the  
contract awards of concrete, elevators, form work, rebar, tower cranes, and caissons for the [Pelli] hotel casino tower. In addition, a  
concrete batch plan has been assembled onsite and is scheduled to become part -- become operational this month.  
The Boardwalk Hotel and Casino was imploded, as most of you know, on May 9th, and clearing of the area continues with mass  
excavation to begin next week in this location. Bellagio -- the Bellagio employee parking garage opened on Monday, July 17th, which  
allows for the existing surface parking area to be cleared for all of CityCenter. Foundations to the 4,000 room Pelli hotel casino towers  
are substantially complete. The Mandarin Lifestyle and Condo Hotel foundations will commence by the end of the year. The existing  
Monte Carlo garage is scheduled to be demolished in August to make way for a new 13-floor 7600-car parking garage which will serve  
not only Monte Carlo, but CityCenter. The current garage has 1800 spaces. The CityCenter -- CityCenter residential sales center has  
received a building permit and is scheduled to open November 1st this year. Structural steel erection commenced this week. The  
residential sales center will include room type mock-ups for each of the residential buildings including unit layouts, fixtures and finishes.  
It will also incorporate the use of multi-media and virtual displays to demonstration the vision experiences and product offerings to be  
found throughout CityCenter. Satellite residential preview centers will be located at some of the Company's other resorts in Las Vegas.  
These discovery centers will build interest and excitement and connect our resort customers with the new residential experience at  
CityCenter.  
And that concludes my report, Mr. Murren.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Why, thank you, Bobby.  
A few other things about the quarter and then we'll get right into guidance. Our interest expense in the quarter was a little bit lower than  
our guidance. Net interest was 195 million. The gross interest number was 223. Cap interest was 28. That gets you to the 195. Corporate  
expense was right in line with guidance. We came in at 39 million. Preopening and start-up expenses in the quarter were 15 million. That  
was related primarily to The Signature that John talked about and the LOVE show that Bobby talked about, but also there's a little bit  
there for the Borgata expansion and CityCenter. Property transactions in the quarter -- that was 13 million, it was the $4 million write off  
in Hair Spray that John talked about, as well as some assets that are being replaced with new projects over at the Grand in Las Vegas and  
at Mandalay Bay.  
Related to our financial position, we bought back 2.5 million shares in the quarter for $103 million. Our remaining authorization is for 11  
million, so we're almost halfway there in our buyback program. We've been buying every quarter. From a standpoint of CapEx, we spent  
449 million of capital on our existing resorts and on development initiatives. That's very similar to guidance that we gave last quarter.  
Excluding Beau Rivage, the investment amount was 340 million, our guidance was around 350, so we're a little bit lower than what we

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said. We had of that about 255 million were projects that are development projects like the new MGM Grand Detroit, CityCenter and  
MGM Grand Macau investments. The remaining 87 million was what we, I guess, would call maintenance capital, but broadly defined  
capital at our existing resorts. That's the theater and restaurants at the Mirage and also around 30 million at the Mandalay properties.  
That's consistent with our first quarter run rate as well. From the standpoint of our balance sheet as well, we issued in the quarter $750  
million of fixed rate debt. We were very fortunate there. That debt was issued at rates under 7%. As of the end of the quarter, we had  
about $2.5 billion available on our senior credit facility and our fixed-to-floating ratio at the end of the quarter was 64% fixed, 36%  
floating.  
Before I turn it over to questions, I'll give you a little bit of guidance, as we always do, about the current quarter. As you saw in the  
release, we gave guidance of -- on a GAAP basis, of $0.40 for the current quarter. That guidance includes stock option expense of around  
$0.04 a share in the quarter. It also includes about $0.02 of preopening expenses and property transactions combined. And also  
includes the $0.06 per share profit that we talked about couple times already on the call related to the gain at Tower 1 -- or Tower A of  
The Signature at MGM Grand. We gave guidance on property EBITDA. We said it'd be another very solid quarter here in the third quarter.  
We think that property cash flow will increase in the mid-single digits. From a corporate expense standpoint, look to be in the $40 million  
range and that includes stock option expense. Interest expense will be a little bit higher than it was in the second quarter. Our educated  
guess here is that gross interest will be around 100 -- I'm sorry, 230 million, and cap interest around 35. Depreciation. Our forecast here  
is in the 165 to $170 million range, and our tax rate we anticipate to be approximately 36%. Capital expenditures we expect to spend  
around 350 to $400 million in the third quarter, and again that excludes Beau Rivage which is obviously under way, and insured. And in  
our full year guidance is still in the $1.3 billion range, again, also excluding Beau Rivage full year CapEx. That's what we said last quarter.  
So that's quite a bit, and we have exactly 29 minutes. I think we did a good job of getting that all together, so I'm going to turn it back  
over to our operator. Shannon, if you can come back on and we'll get to your questions.  
QUESTIONS AND ANSWERS  
   
Operator  
[OPERATOR INSTRUCTIONS]. Larry Klatzkin, [Everett] & Co.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Jefferies & Co. Hey, guys. Could you -- what's the dollar Signature profit for the quarter?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
The dollar Signature profit for the quarter?  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Yes.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
I think John mentioned that, 20-what, John?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
27.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
27.9? 27.9.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
27.9. Okay. As far as there was some rumors about Japan and you guys getting involved. Any comment on that?

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Terry Lanni MGM MIRAGE - Chairman and CEO  
I'm going on that. We have had representatives meeting with representatives of the Liberal Democratic party in Japan, and we will have  
further ones. I don't think anything's going to happen there, at least until after the November elections, and they will have a new prime  
minister even if the LDP wins. But we're obviously very interested in that market if it does open up reasonably early stages.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
All right. And can you also talk about your AC plans and what, as far as that piece of land you have and maybe also the land next to  
Trump?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
I'll tackle that, Larry, and it wouldn't be a call without you being first and asking ten questions. But we're going to have to limit you to this  
one here so we can get to every other person. But Atlantic City, we are -- I think Terry mentioned it several times before we're very excited  
about that piece of property. We do believe it is conducive to a mixed-use type of development over time and we've even, I think, dubbed  
it CityCenter East, and we have several people internally here working on conceptual ideas, traffic, and otherwise of what we should do to  
fully maximize the 71 acres that we have existing at Renaissance Point outside of Borgata, and the 14-acres that we have across the street  
next to Trump Marina. A great piece of property. We've got a lot on our plate right now, so we prioritize our capital, but that's certainly in  
our future.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Thanks, Jim.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Thank you, Larry.  
   
Operator  
Robin Farley, UBS.  
   
Robin Farley UBS - Analyst  
Great. Yes. I -- just to clarify, in the comments it sounded like you were saying at Mandalay Bay you were giving a little bit of ADR  
guidance for the third quarter. And I think you said you were looking for ADR to be down even though convention room nights are up, if I  
heard that right, if you could just clarify. And then I don't know if you could give some similar color on ADR, RevPAR at Bellagio or the  
Mirage. And then also, the Grand property, even if you back out the preopening and the write-offs, it looked like there was still an EBITDA  
decline there, and I wondered if you could just give a little color on that?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Okay. I think maybe I'll pass the baton, Robin, over to John and maybe Bobby, too, but I think the overall, we're looking for RevPAR to be  
up in the quarter and -- companywide, but I'll go to specifically to John.  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Robin, the question that you mentioned about Mandalay Bay, the guidance I was providing was as it relates to the convention market, I  
was mentioning that the ADR will be -- was up slightly in Q2, but it was expected to be down slightly in Q3. Having said that, I also had  
mentioned that the convention room nights in Q3 would be up 36%.  
   
Robin Farley UBS - Analyst  
Okay. So the ADR decline was not across the property overall, it was just --?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
No. It's just down slightly, just in the convention market.

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Robin Farley UBS - Analyst  
And what percent of the room mix to be expect to be convention? I know you said up 36% year-over-year, but --  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
I don't have that data point handy. I think it's typically -- let me look for that real quick for you.  
   
Robin Farley UBS - Analyst  
That's okay. You mostly answered. I was just looking to clarify the climate you mentioned. And then --  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
Robin, this is Bobby. RevPAR for Bellagio and Mirage's going to be up between 3.5 and 4% and for Mirage Resorts -- the Mirage Resorts  
group about 3% in total and conventions I think represent about 17 or 18% of our business.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Yes, and I guess tying that altogether, then, we're looking for as last quarter, up RevPAR Strip wide and we're looking for a good  
convention calendar and good convention business. Is that fair to say, guys, in the third and in the fourth quarter.  
   
Robin Farley UBS - Analyst  
Great. And then the -- the MGM Grand property?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
In terms of what?  
   
Robin Farley UBS - Analyst  
Oh, I had mentioned that if you -- even if you adjust for the preopening and the write-off, it looked like on an operating basis the cash  
flow may have declined there. I just wanted to get some color on that.  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
It was down slightly, and most of was that attributable to an increase in health benefit costs.  
   
Robin Farley UBS - Analyst  
Okay. I guess that's primarily -- I don't know if you're seeing anything, Jim, that you can comment on in terms of demand. In the premium  
market versus more middle market properties, I don't know if you have any color like that you could give us.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, maybe in general. Maybe Terry can jump in. We obviously had a very, very strong second quarter on the -- on the premium side.  
Great volumes throughout the Company, really, and that seems to be continuing here in the third quarter. If there is any and I think I --  
we mentioned this a little bit on the last call. In the context or back drop of the economy and slowing housing and discretionary income  
concerns, if there is any slowdown at all here within our portfolio properties, it would be in the lowest end properties that we currently  
have. And we've been seeing that now going on for about four, five months, and it hasn't changed, and obviously we just had a record  
second quarter in spite of that, but that continues, that if there is weakness in there -- and I wouldn't even use that strong a word, but if  
there is a softening at all in our portfolio, it would be in the lower half of our portfolio. The upper end is doing quite well, obviously.  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
And having said that -- Robin, this is Bobby. Monte Carlo did 32.6 million for the quarter. That was their best quarter ever since they  
opened the hotel.  
   
Robin Farley UBS - Analyst  
That's great. Thank you.

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John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Also, Robin, the question you asked about the convention market mix at Mandalay Bay in the third quarter, that's forecasted to be about  
33% of the mix.  
   
Robin Farley UBS - Analyst  
Great. Thanks very much.  
   
Operator  
J. Cogan, Banc of America Securities.  
   
J. Cogan Banc of America Securities - Analyst  
Yes, hi. Good morning. I've got a couple questions. First, just to clarify, Jim, on the fold and the impact at Bellagio, and maybe a negative  
impact, if there was any, at the other properties that might be somewhat significant. Can you quantify that at all for us? I mean,  
obviously, the revenues were huge, the EBITDA was even better. Bobby talked about operating expenses being down. Can you give us a  
sense what the hold contributed kind of year-over-year?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, I -- we -- we want -- we don't want to get into a situation where we're giving property by property too much. But I would say that the  
hold at Bellagio -- the table hold was was in the mid- to high 20s in terms of table hold, so you can probably work that out probably.  
Bellagio would have had a tremendous quarter if they would square in the middle of our hold percentage. It did have a very strong hold.  
It was in the mid- to high-20% range, and all the properties did reasonably well. There was some below our kind of a hold mid-point, but  
most of them within our range. We've given a range many times before of 18 to 22%, and that's where they were. The outlier there was  
Bellagio, fortunately for us, it was a little bit better -- nicely better than that. In terms of dollar quantification, I think it's safe to say that  
Bellagio still would have had a tremendous second quarter. Do you have anything further on that?  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
Well, we -- Jay, this is Bobby. Bellagio would have had almost a record quarter anyway even if it had a normal hold percentage. But it  
would have done in the $115 million range with kind of a flattish hold. So it had a extra strong quarter, but it was already very, very strong  
and on a normalized basis, it would have been around 115, maybe a little more.  
   
J. Cogan Banc of America Securities - Analyst  
Okay. That's extremely helpful. And I appreciate that. On the project CityCenter, just a few questions. It sounds like the process -- kind of  
that design assist process that you guys have in place is helping to keep the costs in line at this juncture. As we kind of continue to move  
through design process and as you think about the condo market, can you just give us any sense as to whether there could be some  
movement to the upside overtime, the total CapEx budget? And also, when's the next time you guys take a gut check on the condo  
market and just your overall thoughts on -- on the project. And then also in terms, Jim, of my monetization of assets, retail, hotels, et  
cetera, any update there?  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
Well, Jay, on CityCenter we watch the costs every day. We're on time, and we're on budget, and we don't foresee any cost increase over  
the period of the project. Now, we don't control all the costs, but we have bought out part of the job, and we're in the ground on the Pelli  
casino hotel tower, which is the largest single component of CityCenter in terms of its cost. And we have, through Tishman and Perini  
and our other business partners, we have 115 companies working with us on CityCenter, and most of those are working on the Pelli casino  
hotel tower as well. And we think we have a pretty good understanding of the cost of the entire CityCenter -- CityCenter project.  
As it relates to the retail component, of the $7 billion in CityCenter, we're spending about 2.3 or 2.4 to build 3,000 residential units that  
we intend to sell for 3 billion or a little more. We watch the market every day. Nothing's changed there. We knew when CityCenter was  
conceived and approved initially two years ago that there were many players in the market or appeared to be many players in the market.  
We felt like half of them would fall away before CityCenter's residential products would even get on the market. That's held through.  
Nothing's changed there. And at the same time, we felt like there was a strong, strong underlying market for high-rise residential

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products, particularly located in the heart of the Las Vegas Strip. So we -- we think that our sales -- residential sales for CityCenter are  
going to be robust. We'll know, of course, a lot more when those sales become available to the public in three or four months. But we do  
our gut check seven days a week.  
   
J. Cogan Banc of America Securities - Analyst  
Okay. That's what I hear. Thanks a lot.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Thank you.  
   
Operator  
Dennis Forst, Keybanc.  
   
Dennis Forst Keybanc - Analyst  
Jim, I missed the depreciation guidance. Did you say 155 to 170 or 165 to 170?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Dennis, I said 165 to 170.  
   
Dennis Forst Keybanc - Analyst  
Still missed it. 1-6-5?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Yes, 1-6-5.  
   
Dennis Forst Keybanc - Analyst  
Okay. And then my real question had to do with stock option expense. It was 21 million in the first quarter, dropped to 16 million in the  
second quarter. Was there any particular reason, or is that going to be a normal seasonal trend?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
I was just making -- confirming with the other guys here, Dennis. It'll be very similar in the third quarter.  
   
Dennis Forst Keybanc - Analyst  
To the second quarter?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Yes -- yes. It'll be similar to the second quarter.  
   
Dennis Forst Keybanc - Analyst  
Okay. Why was it down sequentially, though?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
It's just a number of options that we have.  
   
Dennis Forst Keybanc - Analyst  
Will the first quarter normally going forward be the highest quarter of the year, or should just annualize 16 million a quarter going out?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well -- yes. It will not be the first -- it won't be the largest of the year, and that'd be annualize the current rate.

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Dennis Forst Keybanc - Analyst  
Okay. So even for next year, maybe a little bit of inflation, somewhere in the high 60s next year.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
That's a pretty good guess.  
   
Dennis Forst Keybanc - Analyst  
Okay. Thanks a lot.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
You're welcome.  
   
Operator  
Mario [Contamarcos], J.P. Morgan.  
   
Harry Curtis J.P.Morgan - Analyst  
Hi. It's Harry Curtis.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
We were wondering if you were in Bermuda or something, Harry.  
   
Harry Curtis J.P.Morgan - Analyst  
No, no. Sitting at my desk, getting pale. In your guidance for the third quarter how much profitability are you -- are you building in for  
Beau Rivage?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, it opens at the end of -- what? You gave a date, right?  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
August 29th.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
So we get a month of it. And I don't think -- did we -- we -- it's not a ton.  
   
Harry Curtis J.P.Morgan - Analyst  
So you're assuming some ramping of profitability, right?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Yes, although I'd -- as Bobby, I think, has said before -- he's certainly said it internally, is that our original expectation with Beau Rivage  
was it would, like a typical property, ramp-up over time. In light of the strength of the market we think it's going to ramp up much more  
rapidly. And it is, of course -- I don't think it's overstating it to say it'll be the best property by a mile down there, so I think that it will  
ramp up rapidly, but we can't expect a ton of money in just the month of September.  
   
Harry Curtis J.P.Morgan - Analyst  
And my second question, Terry, can you -- can you give us an update on the regulatory clearance for Pansy.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
Well, actually, I think -- we've got Gary Jacobs here, our general counsel here. I think he'd probably --

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Gary Jacobs MGM MIRAGE - EVP, General Counsel and Secretary  
Yes, sure. Everything is proceeding. We're working -- we continue to work closely with the regulators as we always have, and it's just  
proceeding in the ordinary course, and we -- we don't anticipate complications in this.  
   
Harry Curtis J.P.Morgan - Analyst  
Any sense of when we might get some clarification?  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel and Secretary  
They run on their own schedules, and I'm long since not one to predict them, but everything is just proceeding as -- as we expect.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
I would think it's fair to say before we open.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
And then, that's on schedule, so you know when we think we're going to open, and we think it'll be resolved before that.  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
It does not impact -- impact the construction schedule or the opening.  
   
Harry Curtis J.P.Morgan - Analyst  
Very illuminating. Thank you.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
And I guess, Harry, I -- we -- you may be like a penny in Beau Rivage this year, and it made a couple cents more than that last year. To  
give you kind of a relative comparison.  
   
Harry Curtis J.P.Morgan - Analyst  
Thank you.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
You're welcome.  
   
Operator  
Celeste Brown, Morgan Stanley.  
   
Celeste Brown Morgan Stanley - Analyst  
Hey, guys.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Hi.  
   
Celeste Brown Morgan Stanley - Analyst  
Can you just comment on where you think you're drawing the baccarat customers from? Are you taking share, are you finding new  
customers, do you sort of spend more time over in Asia?  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
Well -- this is Terry Lanni. We obviously have an extensive program throughout Asia of marketing, and we're marketing, I think, more  
effectively in the People's Republic of China and in other -- other areas in that marketplace. But the -- it's a combination of continued  
business that we've had for long period of time at MGM MIRAGE as well as new customers. I can't break it down between the two. It's  
obviously-- a substantive portion is existing business, but we do see an ever-increasing number of people coming from the People's  
Republic of China. I saw interesting statistic that was released by the Nevada Tourism Board for 2005. Of the 493,000 people who came

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to the United States -- I shouldn't say people -- visitations. It could have been multiple visits by people. But of 493,000 visitations to the  
United States, and 93% of those people found their way to come to Las Vegas, which I think is a staggering statistic. And as visas are  
coming much more readily, they're opening it up to the four coastal provinces, and I think that's going to be a very strong market for Las  
Vegas, and we expect to be a significant participant in that.  
   
Celeste Brown Morgan Stanley - Analyst  
In theory, you should get another lift once you open your property in Macau as well, right?  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
Well, we'll -- we'll see. Obviously, having the flag there, it's at MGM Grand Macau property when it opens in the fourth quarter of '07 and  
I think that will be beneficial. We have -- our competitors, a couple of them will be there, and they'll benefit from it also. It's just a matter  
of how well we do with our marketing people. We've got a pretty good record, and I think that record will stand.  
   
Celeste Brown Morgan Stanley - Analyst  
Great. Thank you.  
   
Operator  
David Anders, Merrill Lynch.  
   
David Anders Merrill Lynch - Analyst  
Hey. John or maybe Jim, could you comment on the additional condo towers that you're looking to build by Mandalay Bay?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Do you want me to take that, John? Or do you want it?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Obviously, that was a -- we had a comment that appeared in the paper -- at the end of the day we have been very bullish on that  
particular product, as you know. We started it with The Signature at The Grand. We're doing it in a major way at CityCenter. That's our  
primary focus as we mentioned in that release, but at the end of the day we want to make sure we have a pipeline of product, and it takes  
a lot of time to develop that pipeline and develop those concepts and get all the various approvals that one needs to have in order to -- to  
continue with that. So that's all we're doing in this case is to make sure that we have that continuum of pipeline of product that we can  
roll out, but our primary focus and attention at this point in time is obviously CityCenter.  
   
David Anders Merrill Lynch - Analyst  
So the timing would be after CityCenter, is that correct?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Well, it's one of those things you just kind of gauge with the market conditions. But -- so it's hard to predict at this time. But we just want  
to make sure we're in a position to move whenever we elect to.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
Let me add a point there. The priority is CityCenter. And that's going to be the primary focus, and as John said, going through the  
planning commission is important for those projects because it gives us an opportunity to get them in order. But the prior will be  
CityCenter. We expect that to sell well, and as John says, depending upon the movement in -- in those units, we can certainly move up  
the project for Mandalay Bay, but the priority is CityCenter.  
   
David Anders Merrill Lynch - Analyst  
Okay. Thank you.  
   
Operator  
Joseph Greff, Bear Stearns.

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Joseph Greff Bear Stearns - Analyst  
Good morning, everyone. Jim, I have a question for you just on operating leverage on the Las Vegas Strip. If we were to assume that  
revenues were to grow in the -- say, the mid-single digit range, and we're assuming table hold percentage is normal, what should --  
should operating expenses grow at? What rate?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, our biggest cost, of course, is labor, and we have a culinary agreement and we also have many nonunion employees, and that has  
been growing it. And so you have that as a defined increase year-over-year. Bobby mentioned that the team here at Bellagio have  
actually cut down our overall labor costs, and we look to do that where applicable without negatively impacting the customer experience,  
which is our overriding objective. So if you were to look at our -- our cost structure, I would say that the cost should not grow in excess of  
our revenues. In fact, I think there is positive operating leverage in our Company. We are constantly finding ways of becoming more  
efficient, and I'll give you a couple examples of that. One is on the cost side, we hired a chief procurement officer. She's doing a  
tremendous job, but she's just getting started. And the buying power that this Company has today is enormous and has not been  
well-utilized in the past, to be very frank. And not only will that save us money, but it'll improve the terms of deals that we do, conditions  
of engagement and so that -- there's a big cost savings there. As we consolidate some of the operations as we expand our shared  
services effort, there are many areas that don't touch the customer that can be rationalized, and we've been working on that. Over on the  
revenue side, as I've mentioned, Mandalay Bay, the property, just got Player's Club last week. And here -- imagine a property that -- that  
now has the access to -- what is it? 40 million names in our data base, a tremendous data base that they did not have access to prior to  
that on a consolidated basis. And that'll be rolled out throughout the Company over the next year-and-a-half, as will our yield  
management system in conjunction with our new hotel management system and there are more examples of that. So if revenues -- and  
we gave some guidance and just using your example, grow at that rate, I don't expect expenses to grow at the same rate, and I do think  
there's positive operating leverage as we showed in the quarter we just reported.  
   
Joseph Greff Bear Stearns - Analyst  
Great. And then I have a follow-up, maybe to Bobby and John, on the convention side. You gave us impressive 3Q convention numbers.  
I'm presuming that's because of a strong September. How does the fourth quarter look in terms of group, either for your properties or the  
market, and then, as you look into next year, what kind of growth rates do you see on the number of conventions or attendees? Thank  
you.  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Well, we -- fourth quarter for the -- for MGM Grand and Mandalay Bay is going to be very strong as well, as will the first quarter, and in  
both cases they will be up over prior years.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
And Bobby's taking a peek --  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
We're going to -- we're going to be up in both the fourth quarter and first quarter of next year as well.  
   
Joseph Greff Bear Stearns - Analyst  
And in terms of the permanent facility in Detroit, have you talked about or have you communicated what the number of gaming positions  
in that property is?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
No, we have not to date.  
   
Joseph Greff Bear Stearns - Analyst  
Can you give us a sense of what the increase would be over the existing, or --?

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John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Well, I think it's safe to assume it's a much larger facility than what our current facility is, or we wouldn't be building it, that's for sure. So  
there will be additional capacity in that facility, but we're not really at a point where we want to release the level of detail on that property  
yet.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
John, can you give them what the revenue -- the slot per unit per day numbers are now?  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
Well, right now you're doing in the neighborhood of about 380 per machine per day.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
And then, of course, we're capacity constrained dramatically on the weekends. And I think we did say that the casino overall square  
footage goes from 75,000 square feet to 100,000 square feet.  
   
John Redmond MGM MIRAGE - President and CEO of MGM Grand Resorts  
That's the limit that are provided for under the regulatory framework there. We have less than 75, but we will definitely want to have  
closer to 100 in a permanent. The way the Detroit authorities define it, but it's safe to assume that the property will be significantly --  
have significantly more capacity than what we currently have.  
   
Joseph Greff Bear Stearns - Analyst  
Great. Thank you, guys.  
   
Operator  
Bill Lerner, Deutsche Bank.  
   
Bill Lerner Deutsche Bank - Analyst  
Thanks, guys. Maybe this is for Terry. Any color on what you're thinking about in Macau subsequent to MGM? I mean, I would suspect  
we'd probably hear from you guys or from the joint venture about additional projects in the next year, but any color would be helpful  
there.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
We've had continuing meetings with the government. We're going to be going there next week, and we expect to have an opportunity to  
meet with officials of the government. And we are seeking as a -- joint venture organization's seeking additional sites, not just a single  
site but additional sites. And we're looking at a number of different locations. And we -- we believe that the government is supportive of  
that search.  
   
Bill Lerner Deutsche Bank - Analyst  
Great. Thanks.  
   
Operator  
Larry Klatzkin, Jefferies & Co.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Actually, that last question was what -- was my question. The sites in Macau. Thanks, guys.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
Thank you, Larry.

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Operator  
[Larry Haverty], [GMAOC Investors].  
   
Larry Haverty GMACO Investor - Analyst  
Hi, Jim. A couple questions. One, could you walk through what your strategy is and particularly focus on the reputational and legal issues  
from this announced venture with the Indians and Foxwoods? And then perhaps an update on the cirque de Aqueduct.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Okay. That's a good way of putting it, Larry, and hi. Well, I'll tackle Foxwoods; maybe I'll pass it over to our Aqueduct expert, Gary Jacobs,  
to handle that. So first, we have -- we have long thought about the idea here of leveraging some of our intellectual capital. We manage  
many casinos. We manage many hotels. We have many -- multiple brands, and the business that we are in is highly captain-intensive  
and high margin and profitable, but we haven't really done -- as an industry, certainly, we haven't -- a good job of leveraging that into  
non-capital intensive arenas. The concept with the Mashantucket Pequot Tribal Nation is, here's an opportunity to, with a  
highly-successful tribe that's well-managed and extraordinarily profitable in a state where we could never otherwise operate under any  
condition, have an opportunity to plant the flag of MGM Grand in New England and expose an enormous demographic to an MGM  
Grand-style of property. We also believe that we can help the tribal nation, as good as they are, in improving their operations and master  
planning their campus for multiple projects, both gaming and non-gaming. So from our perspective is -- we think it's a great way of  
leveraging our -- our intellect assets. We think it's a great way of improving our brand, and I don't think this will be the last venture of this  
type, in terms of leveraging our opportunities globally as it relates to management, and we think it's an opportunity to, in a non-capital  
intensive way, grow earnings.  
   
Larry Haverty GMACO Investor - Analyst  
No -- no economics you're going to share with us at this point?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Well, it's a little premature. There's going to be more to say, Larry, probably as early as September on that. But it's safe to say that it's  
significant enough to us to make it worth our while, number one, initially, plus there's a component to it that also includes a joint venture  
that we intend to form, which will be its own company and could be kind of fun to go out and do smaller existing or development deals in  
gaming that we would jointly own. So the financial impact is not insignificant even as large as we are. But I think I look at it more as a  
signal that these are the kinds of things that we could potentially do over time to grow earnings in a non-capital intensive way, and I  
think maybe Gary can talk about Aqueduct.  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel and Secretary  
Sure. Let me speak to that. The road to Aqueduct has been a long and winding one in New York, and the procedures and the process  
there is not always the clearest or it's very unclear. And we have -- the contracts are just merely awaiting final regulatory approvals in the  
state. We expect that to be forth coming shortly. Interestingly, the ad hoc committee, which is running what appears to be the successor  
process, has explicitly recognized our contract rights, and they've advised the bidders of that. They've most recently done that in their  
advice to bidders or response to questions. They respond to very few questions and among the ones that they did respond to was that to  
clarify that. So what that translates to is that how ever that process runs, the management agreement would be an obligation of any  
successor, should there be one.  
   
Terry Lanni MGM MIRAGE - Chairman and CEO  
And, Gary, that ad hoc committee is a committee of the legislature.  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel and Secretary  
That's correct.

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Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
And, Larry, I wasn't trying to duck the question. We're working on a definitive agreement with the tribe right now. So once that is -- we'll  
have more to say once we have a definitive agreement, and we've been working on that, so. Maybe we can take one more question,  
operator.  
   
Operator  
J. Cogan, Banc of America Securities.  
   
J. Cogan Banc of America Securities - Analyst  
Hi. Just a couple for you here. I think some people have tried to ask in a variety of ways, maybe just a little bit more directly, Jim, the third  
quarter guidance seems to be less than what I think most people were looking for, when you kind of look at apples-to-apples, just ex the  
condos, preopening, et cetera. And I was wondering if there's anything that you think that's happening within Vegas or elsewhere where  
we may be too optimistic, et cetera, as you kind of look at the numbers? And then also, just back to Biloxi for a second. Terry or someone  
else can talk about how much capacity do you really think's coming to Biloxi over the next few years, and how do you think Beau will do  
on a roughly relative cash flow basis as we see that capacity ramp?  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Okay. I think Bobby's going to tackle Biloxi. I'll tackle guidance.  
   
Bobby Baldwin MGM MIRAGE - President and CEO of Mirage Resorts  
Jay, the -- first of all, we think that Biloxi's going to come back very strong. I think the -- our competitors believe the same thing. Some of  
the other companies, of course, as you know, are concentrating their new developments in Biloxi as opposed to other regions in southern  
Mississippi. The way we look at it, we've analyzed all our top 200 ZIP codes or so in the region to determine the economic health of those  
regions where our customers are actually located and live and run their businesses. And we found that in almost all cases, those area  
codes were unaffected by hurricanes or Hurricane Katrina. It's our belief that there are many, many customers awaiting a first class  
product in Biloxi, Mississippi. As you know, the five casinos that are currently open are currently open, many of which are in a temporary  
phase are still winning more than half the money that was done by the 11 casinos when they were fully operational, pre-storm. So I  
suspect, as do others, that Biloxi's going to be a very, very strong market, probably stronger than ever. We certainly anticipate that Beau  
Rivage, that was pacing about $90 million a year, should quickly achieve that rate of EBITDA and probably do better than it ever did  
before. It's -- the market's just as strong as ever, and Beau Rivage as a product is way better than it was before it was damaged by the  
hurricane.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Great. And I'll tackle the second part there, Jay. From a cash flow standpoint first, and then I'll get into EPS, our guidance for the second  
quarter, I think I mentioned it, was mid- to high-single digit for the second quarter, and we blew right through that. We're up 13% in the  
second quarter. So no debate, we had a great second quarter. I think Bellagio made more money than any other two casinos combined in  
this town, and that's pretty cool. It wasn't long ago that Bellagio wasn't supposed to do well when new properties opened. As related to  
earnings per share, earnings per share, we're doing GAAP, and by the way, I believe the SEC's going to require all companies to do this  
over time. So we reported GAAP earnings of $0.50, which was a bit above what a lot of people have. First Call's a struggle for us because  
there's no way of knowing exactly what you all are thinking about when you put in your EPS estimate in to First Call. Some of you are  
looking at it as adjusted earnings. Some include condo sales, some don't. Some include stock option expense, some don't. Some include  
preopening, some don't. I don't really know, and I don't really care. I do know that we're going to have a very fine third quarter, and I do  
know that our margins will be strong, our cash flows will be strong, and that a $0.40 number is a very strong number, and it'll be up  
versus a year ago. And so I'm not quite sure -- we tried to do this -- maybe someone can help me on this down the road is as we look at  
P&Ls from some of the analysts, and even in many cases the P&Ls from the analysts don't comport with the published First Call  
numbers. So I think that that's what my view on that is. I like the GAAP presentation. I think it's cleaner. I think it's more fair. I think it's  
more transparent, and I think it prevents an opportunity for companies to get a little bit creative, and that's not the way we operate. So  
you have all that information. You can use whatever you like, and we're proud of how we're doing, and I hope that answers the question.

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J. Cogan Banc of America Securities - Analyst  
Helpful. Thanks.  
   
Jim Murren MGM MIRAGE - Presdient, CFO and Treasurer  
Thank you. Operator, I think that's -- what do we got here, Terry? We got 9:05, so want to thank you all for joining us. As always we're  
available, and I'd really focus on some of that supplemental information. I think we give more of that kind of stuff out than anybody, and  
that'll really help you fully digest how we're doing and how we think we will do. Thank you very much.  
   
Operator  
Thank you for participating in today's MGM MIRAGE second quarter conference call. You may now disconnect.  
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Terry Lanni MGM MIRAGE - Chairman, CEO  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
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PRESENTATION  
   
Operator  
Good morning and welcome to the MGM MIRAGE third quarter conference call. Joining the call from the Company today are Terry Lanni,  
Chairman and Chief Executive Officer of MGM Mirage; Jim Murren, President CFO and Treasurer of MGM Mirage; Bobby Baldwin,  
President and Chief Executive Officer of Mirage Resorts; John Redmond, President and Chief Executive Officer of MGM Grand Resorts;  
and Gary Jacobs, EVP, General Counsel and Secretary of MGM Mirage. [OPERATOR INSTRUCTIONS] Now, I would like to turn the call  
over to Mr. Jim Murren.  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, thank you, Paige, and good morning, everyone. As you know, we're broadcasting this conference call live on our Website,  
mgmmirage.com, as well as on companyboardroom.com. A replay of the call will be available on our Website. This morning we filed an  
8-K with our press release. In addition, we posted on our Website additional information, which gives you significant detail beyond the  
numbers as is our custom. You will find that on the Website now and I encourage you to take a look at it.  
I'm obligated to read the Safe Harbor disclosure as I do every quarter. Information we present on this call may contain forward-looking  
statements as defined by the SEC. Such forward-looking statements are protected by the Safe Harbor amendments of the Private  
Securities Litigation Reform Act of 1995. You can identify such statements by the use of the words we expect, we anticipate, and similar  
phrases. These forward-looking statements may include information about future earnings, expected business developments,  
anticipated capital expenditures, future financing alternatives, or other statements made about future periods.  
Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from estimates. Listeners  
should also refer to our disclosures about risks and uncertainties that we make in our filings with the SEC. So with that, I would like to  
turn the call over to Terry Lanni for an overall discussion of our results.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Thank you, Jim. And good morning, ladies and gentlemen. Earlier today we reported diluted earnings, EPS, if you will, of $0.54 for the  
third quarter. This is an all-time record for any quarter in the Company's history, for which we're quite proud. Operating results, I'm going  
to talk a little bit about that. Net revenues increased over $90 million for the quarter, which represents a 5% increase quarter to quarter  
comparison.  
We had very strong slot results, with slot revenues up 5%. Several of those resorts of ours had particularly strong slots results, including  
a 15% increase at Bellagio, 17% increase at TI, and a 12% increase at MGM Grand Las Vegas. These results one again demonstrate the  
real power of our Players Club program. As we have mentioned before, we're converting the Mandalay Resorts to Players Club. With

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Mandalay Bay, Luxor and Monte Carlo having recently converted and the remaining properties expected to come online between now  
and the middle of 2007. On the baccarat front, our volume increased 22% for the quarter. The rends in the high end segment remain very  
strong and we see that strength continuing into the important New Year's period, Western New Year's as well as Chinese New Year's.  
Operating income was $428 million, representing an increase of 26%. And property EBITDA was $637 million, up 19% with excellent  
margins, as Jim will cover in more detail shortly.  
Beau Rivage, Bobby will discuss the property's results and continued construction activity. And I wanted to comment on the fact that we  
met our commitment to the Gulf Coast and to our employees, opening on time, on the one-year anniversary of hurricane Katrina. And the  
credit for this accomplishment extends broadly. But leading the group obviously is Bobby Baldwin, going to George Corchis, the  
President of the Beau Rivage and his entire team. And the many Las Vegas-based employees, as well as employees based in Biloxi,  
Mississippi, who assisted in the rebuilding effort over the past year. We're very pleased to be leading the way in the rebuilding of the  
Biloxi market. We're obviously committed to the Gulf Coast community, and we've delivered on those commitments and promises.  
Laughlin and Primm properties, as we've announced recently this week, we're selling the Colorado Belle and Edgewater properties in  
Laughlin to a group led by Anthony Marnell III. And Primm Valley Resort to Herbst Gaming. The valuation in each transaction is in excess  
of 9 times cash flow.  
A bit of an update on Macau. Our construction pace continues to move rapidly as we have now reached the 24th floor of the 32-story  
hotel tower. The joint venture has been making excellent progress assembling its management team under the leadership of Bob Moon,  
who is President of MGM Mirage International operations and also serving as the pResident of the MGM Grand Macau property. We and  
our partner Pansy Ho plan to open this spectacular resort in late 2007.  
Project CityCenter, Bobby is going to be talking more about that as he makes his presentation. And then also, John Redmond will be  
discussing the Detroit permanent casino. They are progressing quite well. And they'll give you more details on that. I'd now like to turn  
the conversation over to Jim for a few more comments on our financial results.  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, thank you, Terry. Consistent with our prior quarters we're reporting GAAP earnings here. And also consistent with prior quarters we  
have, as I mentioned earlier, significant supplemental information in the release. This is the first quarter in which we have the Mandalay  
Resort properties in for the entire quarter, so you have a nice clean year-over-year comparison. There are several items which affect the  
comparability of earnings. We listed them in the press release but I would like to highlight a couple of them here. One is, of course, the  
profit from the unit sales at the Signature. That's obviously in the current year only. That was $0.06 a share, or $26 million. To bring the  
total profit for Tower 1 to, net of expenses, it's $52 million for us. That's a pretty good effort.  
Also in the quarter, this quarter, we had only about $0.01 a share in preopening and property transactions. A year ago it was $0.06. This  
year, of course, we're as, is corporate America, we're expensing stock options, that was $0.04 a share. And we had a positive adjustment  
in our income tax, it was $0.02 a share this year. It was a negative $0.01 a year ago. So there was a nice Delta year-over-year on taxes.  
A little more detail. Our gaming revenues, as Terry mentioned, were up 5%. Slots revenue were was up 5%. Table game revenue was up  
6%, as Terry mentioned, due to very strong baccarat volumes, they were up 22%. Our hold percentage in the quarter was within our  
normal range, both in this quarter and year ago. In fact, they're both right around the middle of our range, although it was a bit higher  
this year versus last year. The Mirage property it was the primary beneficiary of the better hold and on the other hand, it had a huge  
quarter even without that benefit. Mandalay Bay would have been the one that was actually hurt by a lower hold percentage.  
From a hotel perspective, our hotel revenue is up 3% in the quarter led by very strong REVPAR growth here in Las Vegas. Now, REVPAR  
was up 6% against a very tough comp. Our REVPAR was up 9% in the year-ago quarter.  
And finally, in terms of cash flows, property EBITDA of $637 million, that was up 19% versus $534 million in 2005. Our margin was 33%  
versus 30% a year ago. Several items affected that comparison. One, of course, is the profit from the Signature. That positively impacted  
property EBITDA by, as I said, $26 million. In addition, we had about $22 million less in property transactions and preopening expenses

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in the current year.  
Adjusting for those items, property EBITDA still increased about -- a little over 10% with a margin of 32% this year versus a margin of 31%  
on a comparative basis last year. So with, that I'm going to turn it over to Bobby Baldwin to talk more about Mirage Resorts. Thank you.  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
Good morning, everyone. Thank you, Jim. I'll report on the third quarter results for Mirage Resorts. My report will include highlights for  
Bellagio, The Mirage, Beau Rivage and CityCenter.  
Bellagio's third quarter was $98 million, this was the highest third quarter ever reported for Bellagio, and was $28 million, or 39% more  
than the third quarter of '05. Bellagio gaming revenue of $124 million was up $10 million, or 9% from the third quarter of '05. Slot win  
was up $6 million led by a 27% increase in slot handle. Table games revenue was up $4 million or about 6% compared -- one moment.  
On comparable hold percentages quarter to quarter. Hotel revenues in the third quarter was up $6 million or 7% on a $13 increase in  
ADR. REVPAR of $229 was up $16, or about 7% over last year. This was the highest third quarter REVPAR in Bellagio's history.  
Terry mentioned some of the highlights relating to the Mirage casino hotel. Mirage's EBITDA for the third quarter was $70 million, the  
highest in the last 10 years. EBITDA was $27 million in Q3 of 2005. Gaming revenue at the property was up $29 million, or 45% over the  
previous year. Table games revenue benefited from an unusually high hold percentage this year versus a lower than normal hold  
percentage in the prior year. Table games volume was up an impressive 17%. And slot handle was also up 2.3% at the property. The  
Mirage continues to break hotel revenue records by posting $44 million in the third quarter, the highest third quarter in Mirage's history  
for hotel revenue.  
REVPAR of $172 at the resort was up $8, or 5% versus last year. The food and beverage revenues continued to climb at the Mirage with  
the success of the new restaurants, lounges, and nightclubs opened within the last year. Mirage food and beverage revenue is up over  
42% versus the prior year. There's still more to come at the Mirage with the Revolution, a new 7,000 square foot Beatles and Cirque du  
Soleil themed ultra-lounge scheduled to open in the fourth quarter of this year. The success of the LOVE Show has been phenomenal in  
its first quarter. In its first full quarter, show occupancy was 94%, and the show grossed $25 million in ticket revenue. Advanced ticket  
sales continue to be strong.  
As it relates to Beau Rivage, as Terry mentioned, George Corchis and others have done a fine job in the reconstruction and reopening  
effort at Beau Rivage. It did successfully reopen to capacity crowds on August 29, as Terry mentioned, a year after this terrible hurricane.  
On opening day we recorded the highest daily slot handle in the history of the property, $29 million in slot handle in the first day. So,  
business was very robust on the reopening.  
EBITDA for the current year's quarter, which includes 33 days, was $14.8 million. Now, this compares to $12.2 million during the 59-day  
period in the third quarter of '05. Of course, that period was interrupted by the hurricane. For the month of September at Beau Rivage,  
we had $12.8 million in EBITDA, which was the highest September recorded at Beau Rivage. Third quarter slot handle increased $209  
million or 85% over the same 33-day period in 2004, the only period that we can compare. Slot win per unit was $416 per unit.  
Both September slot handle and revenue were monthly records, of course, for Beau Rivage. Table games revenue also increased $3.1  
million September to September. And the successful opening has clearly reestablished Beau Rivage as the market leader in a  
rebounding Gulf market.  
The final quarter of 2006 will be led by the retail promenade, which just recently opened. The retail store did not open with the rest of the  
hotel on August 29. It opened on October 27. And also, we're going to complete all the amenities as it relates to Beau Rivage by the end  
of the year. The much anticipated golf course, Falling Oak, designed by the renowned golf course architect Tom Fazio, will open exclusive  
to hotel guests on November 6. Three uniquely designed specialty restaurants are scheduled to open December 15, followed by the show  
opening just in time to celebrate the New Year on December 29.  
While discussing Mississippi operations I'd also like to recognize the impressive third quarter results at Gold Strike in Tunica led by Holly

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Gagnon and her team. The revenues were up in all divisions, and EBITDA for the quarter was $9.6 million versus $3.7 in '05.  
Finally, as it relates to CityCenter, the construction on CityCenter is, of course, underway and continues on budget and on track for the  
forecast of November 2009 opening. The 60-story 4,000 hotel room -- casino-hotel designed by Kelly Clark is beginning to take shape  
and form work on the third story is now visible. The Monte Carlo garage has been demolished and a new 7,800-car garage will be built in  
its place. This will serve CityCenter employees and guests and also guests of Monte Carlo.  
Excavation is underway for the [Vadara] Tower, the Mandarin Tower, the [Vir] Towers, the retail podium for the casino hotel, the [Tenafa]  
garage, and the convention center for the casino hotel. Foundations on each of those structures are expected to start within the next two  
months. From a cost perspective, the focus continues to be placed on identifying and capitalizing on cost savings opportunities, of  
course, in the bidding and procurement process for the work at CityCenter. We have locked in final pricing on major trades such as steel  
and concrete for the first major structure, the [Pelay] casino hotel Tower.  
If you have been by the site you might notice there's a concrete batch plant capable of producing about 350 cubic yards of concrete per  
day -- or per hour. And this plant is designed to provide the 1 million cubic yards of concrete necessary for the construction of CityCenter.  
As it relates to CityCenter's residential component, CityCenter will have four condominium developments encompassing five high-rise  
towers. And the CityCenter residential division has focused on recruitment marketing, sales training, lead generation, and the ramp-up of  
all the sales momentum associated with CityCenter's residential component. The residential marketing team has successfully completed  
a process developing the branding and positioning platform for the four distinct product offerings.  
The friends and family program, which is the first part of the marketing and sales program, which was launched in October, and interest  
has been outstanding. We began taking reservations from this program on October 16. The residential gallery at Bellagio, which displays  
the master plan model and artist renderings opened in early in October and is hosting about 500 prospective buyers per day. Another  
residential gallery at the Mirage is scheduled to open in February of next year and it should see a similar flow of prospects.  
Construction of the 30,000 square foot residential sales pavilion fronting the Las Vegas strip between Monte Carlo and New York New  
York will be complete in November. And will animate, articulate, and demonstrate the promise of CityCenter, specifically our four  
residential offerings. It is designed to deliver an unprecedented buyer experience and we'll have a grand public opening on New Year's  
day. In November our VIP sales group will embark on a trip to Asia with stops in Hong Kong, Taipei, and visiting MGM Mirage's top casino  
customers, along with hosting a broker events in various cities.  
Also in November, CityCenter Realty Corp., MGM Mirage's wholly owned brokerage Company, will host a program launch event for the  
top 300 sales agents locally and regionally as it relates to condominium sales. Residential sales to the public begins January 1. And  
that's the conclusion of my report and I'll turn it over to John Redmond.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Thanks, Bobby. Good morning, everyone. I'll be, of course, talking about MGM Grand Resorts. The group had a very strong quarter, as  
evidenced by the impressive Las Vegas strip properties growth in ADR and slot revenue of 5.2% and 9.3% respectively. We also saw  
record revenues throughout many of the departments at all of the properties.  
At that Grand, we had a solid quarter with EBITDA after preopening of $83.6 million versus $81.2 million in Q3 of the prior year. This was  
the highest third quarter EBITDA in the property's history. The property continues to see strong demand, as evidenced by the record  
quarter in slot revenue and near record revenues in room, food, and beverage. Also in the third quarter, the remaining units in Tower 1 of  
the Signature closed with a gain in the quarter of $26.2 million. Approximately 75% of the closed units have been placed into the rental  
program as of today.  
Realizing that the residents hotel brand for the Signature, of course, is only five months old, demand for the product has been very  
strong and customer feedback has been impressive. With regards to Tower 2, we have received our certificate of occupancy, and closings  
began yesterday, November 1. We expect to recognize approximately $40 to $45 million of the $76 million estimated total gain in Q4,  
with the balance being recognized in Q1 of '07. Tower 3 is 84% sold and expected to be completed in April of '07. The total estimated

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gain on Tower 3 is going to be approximately $87 million.  
With regard to the convention market at the Grand, demand remains very strong, with ADR up approximately 2.8% in Q3 and expected  
to be up approximately 10% in Q4. Mandalay Bay, again the quarter, EBITDA of $60 million versus $62.8 million in Q3 the prior year. It  
was a strong quarter despite the fact the table game hold percentage was 500 basis points lower than the prior year, as Jim alluded to.  
The impact of this was decreased hold percentage of approximately $6 million in EBITDA. The property had the best slot revenue quarter  
in its history, and had record Q3 results in rooms, food, and beverage.  
With regard to the convention market at Mandalay, demand also remained strong, with ADR down slightly, 3.7% in Q3, but the  
convention room nights were up an impressive 28.8%. For Q4, we're expecting ADR to increase approximately 10% over Q4 prior year,  
similar to the Grand. At Luxor, it had its best third quarter in the property's history with EBITDA of $37.5 million versus $33.7 million in Q3  
of prior year. The results are due to strong occupancy of 99%, and aggressive expense control.  
At Excalibur, Q3 EBITDA of $33.3 million versus $29 million in Q3 prior year. This was the best third quarter in the property's history and  
was driven by strong results across all departments. In Detroit, the quarter continued to be very strong, with EBITDA of $38.4 million  
after preopening versus $36.8 million in Q3 prior year. The current quarter EBITDA was negatively impacted in the amount of $2.1 million  
due to the increased gaming tax of 200 basis points that went into effect at January 1, '06.  
Slot revenue for the quarter was up an impressive 11% over Q3 prior year and was the best quarter in the property's history. In addition to  
the strengthening results, construction on the permanent facility continues to progress smoothly and ahead of schedule with an  
expected opening date in Q4 2007. And on that, I will turn it back over to Jim Murren.  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, thanks, John. We're going to drill into the quarter a little bit more in terms of some of the financial data. Interest expense in the  
quarter was consistent with our guidance. Gross interest was $231 million, cap interest $37, for net interest expense of $194 million.  
That's on target with our guidance. Corporate expense was actually a little below guidance. Corporate expense came in at $35 million.  
Preopening and start-up expenses were $6 million. That was primarily related to CityCenter, MGM Grand Macau, MGM Grand Detroit,  
and the Signature. That's about the same as the year-ago number.  
In the quarter we repurchased 3 million shares at a cost of $106 million. For the year, so far, we have bought back 6.5 million shares for a  
cost of $247 million. We have been in the market every quarter since the Mandalay merger, and we have repurchased 12 million shares  
since that time, for a total cost of $464 million. We have 8 million shares left on our current repurchase program.  
Capital expenditures in the quarter, we spent $610 million at our existing resorts and on our development initiatives. Excluding Beau  
Rivage, the investment amount was $446 million. That's higher than the guidance that we gave you. We gave you guidance of 350  
million, and that's totally due to the timing of CityCenter and Detroit. We're ahead of schedule in terms of the spending on those projects.  
From a standpoint of the rest, the rest was on the development projects like MGM Grand Detroit. And, of course, we talked about  
CityCenter. The remaining number was $102 million, that was on our existing resorts. That's primarily over at Mandalay Bay and a few  
other projects underway that Bobby and John talked about.  
At quarter end, we had availability on our credit facility of about $2.1 billion. After the quarter, we actually amended our credit facility. We  
got much better pricing, and we extended the maturity of our bank facility to 2011. We're actually oversubscribed in that deal and it's a $7  
billion bank deal. And the pricing results in a net savings to us of around $15 million a year. Our fixed to floating ratio at the end of the  
quarter is 63%. Our leverage, 5.4 times.  
Before I turn it over to the Q&A, I will give you some more guidance here as to the current quarter, as is our custom. In our release, we  
gave guidance of around $0.40 to $0.45 a share. So that guidance is on a GAAP continuing operations basis, so it excludes Laughlin and  
Primm. We expect REVPAR will increase yet again in the current quarter, consistent with our recent trends. That would be the 14th  
quarter in a row that we have had increases in REVPAR.

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Property cash flow -- or property EBITDA will also, we believe, increase in the current quarter. Also that obviously is being helped by  
Tower 2 at the Signature product, and that's against a very impressive fourth quarter of '05. John talked about the timing of the Tower 2  
profits. We mentioned it also in the release. We expect $0.09 to $0.10 a share or that means $40 to $45 million of profit in the current  
quarter with another $0.07 or $0.08 in the first quarter next year, or $30 to $35 million.  
Our guidance includes stock option expense. In the current quarter we think it will be about $0.03 a share. And it also includes  
approximately $0.02 of pre opening and property transactions. In terms of corporate expense, we expect in the current quarter it will be  
in the $35 to $40 million range, and that includes stock option expense in there. Interest expense will actually be slightly lower than the  
third quarter. The new pricing on our credit facility helps there.  
Gross interest, we're expecting to be in the $220 to $225 million range. Cap interest around $40 million. Depreciation, we're looking for  
depreciation in the current quarter of around $165 million. That excludes Laughlin and Primm, which is around $7 or 8 million of  
depreciation between the two. Our income rate, we're forecasting 36% in the current quarter.  
Finally, as it relates to capital expenditures, we expect to spend in the current quarter between $450 to $500 million. That excludes Beau  
Rivage. We've been excluding Beau all along, as you know, because we believe that it's largely insured. From a standpoint of drilling into  
that CapEx, about 50% of that spending is related to CityCenter and MGM Grand Detroit. So that will bring the full-year spending in,  
excluding Beau, to about $1.5 billion.  
As relates to Primm and Laughlin, Terry mentioned gross transaction, we're happy about the way this has moved forward. We are very  
pleased with the buyer groups in both respects. And look forward to a close of both of those transactions by midyear next year, and we'll  
book a nice tax gain on that. In fact, that will be clear when you see the Q, which I think we're reporting -- we're actually filing next week.  
So with that, we have exactly 29 minutes to get to your questions. And I will turn it over to Paige.  
QUESTIONS AND ANSWERS  
   
Operator  
[OPERATOR INSTRUCTIONS] Your first question comes from the line of Larry Klatzkin with Jefferies.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Hi, guys. 9 times multiple, nice pricing. A couple questions. On the residences what are you getting average per square foot?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
For -- you mean the -- are you talking about the --?  
   
Larry Klatzkin Jefferies & Co. - Analyst  
The Signature, the sales.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
You mean for the most recent tower, right? The sales per square foot in Tower C have averaged about $1,067 a square foot. The first  
tower, Larry, was $788. The second tower was $941.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Exactly the same units.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
So, again, everything is the same, Tower A, Tower B, Tower C are all look-alikes, 576 units. And that's the growth in the average per  
square foot.

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Larry Klatzkin Jefferies & Co. - Analyst  
Great. You gave what the bed luck was at the Mandalay. Could you give what the good luck was at the Mirage?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, we're not going to get into property by property hold percentages, but I think John did say that Mandalay was burdened by, what  
did you say, $6 million or so? It was on the other side, a little bit better than twice that at the Mirage, right, Bobby?  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
That's right, about 14 at the Mirage. When you compare it to the year before they were actually off about 7 in hold percentage.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
All right, great. As far as, Jimmy has alluded before about two things. One, you might look to expand Circus Circus and Excalibur and go  
after that middle market customer that seems to be more and more ignored. Is that still in the works?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Well, I'm looking at Terry. To see if -- he decided you're expanding Circus, are you expanding Circus?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
That's the first I've heard about it. That's the first I've heard about it. But we did say we might buy a higher grade of pink paint.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
We're actually -- the view on both of those properties, of course, is that their competitors are largely going away. In fact, I think -- was it  
yesterday the Star Dust closed? And so there's great market potential in both those properties. In fact, we think terrific potential. So, we  
are looking at a variety of ways of improving them. I think that's -- I think what you're referring to. And some of those projects are already  
underway and there will be more to come.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
All right. And then the last thing, Macau, you had alluded before that you might have two more sites in the joint venture that you're  
working on. Any further progress on that?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
With our partner we're seeking additional sites in Macau. Frankly, in Macau and [Kotai.] And the third opportunity would be on the  
reclaimed land. I think on the reclaimed opportunities, that's going to probably be a couple years before the government is interested in  
providing any more reclaimed land to any other projects. So in the interim, we're going to have to focus on land that is currently either  
already in place or been reclaimed, if you will. We don't have anything more to report on it but we're actively searching.  
   
Larry Klatzkin Jefferies & Co. - Analyst  
Thanks, guys.  
   
Operator  
Your next question comes from the line of Harry Curtis with J.P. Morgan.  
   
Harry Curtis J.P. Morgan - Analyst  
Thanks. Two quick questions. Can you talk about the sustainability of these great results down in Biloxi and perhaps a little color on how  
October is looking? I don't want to get in too much detail but if that's possible. And then the second question is, you talked about the  
improved slot win, for example, in Vegas as a prime mover. What -- I'm trying to drill down a little further into just the mood or the  
strength of the customer in the third quarter versus the second quarter. Did you notice any discernible difference and can you put your  
finger on the source of that?

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John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
I'll turn it to Bobby on the first question.  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
As it relates to Mississippi in particular, Beau Rivage, of course, that market, there have been a lot of developments that had some delays  
in that market. So, Beau Rivage ought to benefit from the lack of first-class gaming facilities there for some time to come. When business  
was interrupted in '05, Beau Rivage was on a record pace for about $86 million in cash flow. In fact, that's the nature of our business  
interruption claims. We expect in this interrupted market now with the reopening to do at least as well as we did before the storm, and  
maybe better.  
As it it relates to Tunica, Tunica, obviously, is a market that's got great potential. We had some very strong competitors, notably our  
neighbor the Horseshoe. But we have new management and we have increased improvements to the facility itself. So, I would expect in  
that Tunica you could expect those numbers to continue to improve and we'll have to wait and see.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
His other question was on slots versus like Q2 versus Q3.  
   
Harry Curtis J.P. Morgan - Analyst  
It really wasn't slots per say. It was just the overall tone of your customer confidence, or can you put your finger on any difference  
between the second quarter and the third?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
I think just historically when you look at it, in that regard, Harry, you have the summer customer is specifically not as strong as the third  
quarter customer. You look at typically find lower room rates, and, therefore, not the same quality customers you will. So even just  
looking at slots as a barometer, that particular point, you typically will find your slot numbers stronger historically in the third quarter  
versus the second. Because of that better quality customer we typically find in the third quarter.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
And I think also, John, I think we mentioned on our last call that we had seen a little bit of softness kind of mid-week at some of our more  
value-oriented properties, at least on the strip. That has improved. We had a tremendous Labor Day, and the tone of the business in  
general has improved kind of consecutively throughout the third quarter and into the fourth quarter. So, if I'm getting to your question  
correctly, in terms of the tone of the customer, certainly we see that midweek improving, firming up across the range of our properties.  
The high end obviously is very strong and we do very well in that part of the segment. But the middle market and the economy side has  
improved as well.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
And anecdotally that may well be somewhat directed by the falling gasoline prices for people because that market is more of a drive-in  
market than a fly-in markets. But that's anecdotal.  
   
Harry Curtis J.P. Morgan - Analyst  
That's what I was after. Thanks a lot.  
   
Operator  
Your next question comes from the line of Joe Greff with Bear Stearns.  
   
Joe Greff Bear Stearns - Analyst  
Jim, what should we model for net proceeds for the Nevada sales?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, first off it's Nevada, not Nevada. When you move out here you have to say Nevada, Joe.

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Joe Greff Bear Stearns - Analyst  
I'm sorry, that's my New York accent.  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
We'll have that in the Q next week. You'll see what the carrying value is of both Primm and of Laughlin. So you will be able to figure that  
out and so I don't want to front-run that. But it's a nice gain in both cases.  
   
Joe Greff Bear Stearns - Analyst  
Okay. And then can you give us a sense of 2007 capital spending? And then just one final question. With respect to the profits from the  
Signature towers, if I'm doing my math right, it's about $120 million next year between the remaining profits in Tower 2 and Tower 3?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Yes, everyone's shaking -- they're saying yes on tower -- between the profits between the towers. In terms of CapEx, that will be in -- the  
next quarter we'll talk about a variety of things that will relate to 2007, including CapEx. So, we're not ready to give that you number yet.  
   
Joe Greff Bear Stearns - Analyst  
Okay. And then one other final CapEx question. With respect to what you spent in Beau Rivage this year, what was that total amount?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Hold on one sec. We will get you that. It's about $400 million this year.  
   
Joe Greff Bear Stearns - Analyst  
Great. Thanks, guys.  
   
Operator  
Your next question comes from the line of Robin Farley with UBS.  
   
Robin Farley UBS - Analyst  
Thanks. Can you talk about what sales per square foot you're targeting for the CityCenter condos? And I guess you've got a couple  
different price points there. Could you give us a little color on the square footage and the details for you're targeting at each of them?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
For CityCenter. We actually have, in terms of the overall square foot, you can kind of figure it out through the Q. Because we gave the  
total net sellable square footage of residential in CityCenter and what we expect our proceeds to be. So I think the net available was 2.3  
million square feet, and we're expecting, Bobby, around $2.5 billion innet sales. So, in terms of the product by product, as you know,  
Robin, there are many different products. You have straight condominium towers, and at a variety of price points. And then you have the  
hotel-condominium tower, as well. So, we haven't disclosed yet what the pricing will be per flavor.  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
Robin, the net per square foot after sales costs is $1,095.  
   
Robin Farley UBS - Analyst  
So not too different from what you're getting in Tower 3 basically?  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
That's correct.  
   
Robin Farley UBS - Analyst  
Great. And then you were commenting on seeing some improvement in more value-oriented properties. Is it fair to say then that  
construction on I-15 hasn't been hurting your drive-in traffic?

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Terry Lanni MGM MIRAGE - Chairman, CEO  
We were worried about that a little bit early on, but -- I'll turn it over to John -- but we certainly haven't seen a material impact on that at  
all on the strip, and I don't think anywhere. Have we, John?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
No, I think people have figured out a work-around in that regard, and it doesn't seem to be having a significant impact to date.  
   
Robin Farley UBS - Analyst  
Great. And then just last the question is, are you involved in anything in Japan in terms of pursuing opportunities there that you can give  
us color on?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Well, we're looking at a number of different areas in the Far East, and certainly Japan is one of them. We understand that there may well  
be a Bill introduced, I think on January 28 in the diet and that it probably should move forward. That's the current understanding. But we  
have to wait and see, and we are evaluating different opportunities. It is difficult to ascertain where those opportunities will be because it  
has yet to be defined specifically, even if it's approved as a constitutional change in Japan where, the locations will be, how many there  
will be. And that is to be seen and we are following it very closely. Along with following other potential opportunities in other parts of the  
Far East especially.  
   
Robin Farley UBS - Analyst  
Great. Thank you.  
   
Operator  
Your next question comes from the line of David Anders with Merrill Lynch.  
   
David Anders Merrill Lynch - Analyst  
Great. Thanks. Hi, Terry, could you maybe comment a little bit, or maybe one of you operating guys could talk about, several quarters ago  
was a domestic high roller was very strong it seemed. And now the baccarat player stayed through the summer, which is a little bit of a  
surprise to me. Could you comment on kind of trends in domestic high rollers, as well as the Asian high rollers?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Sure. Well at lot of those trends, David, there are a lot more non-Far East high rollers who are domestic, or national customers who are  
migrating into the baccarat business. Baccarat is no longer merely an international, and more specifically, a Far Eastern phenomena.  
And we have seen that market continue to be very strong. And I suspect it's because the economy is generally strong in the United  
States. The types of people who are high-end casino players nationally are people whose businesses are doing well. And we see that as a  
very strong market and a growing market.  
   
David Anders Merrill Lynch - Analyst  
Great. Thank you.  
   
Operator  
Your next question comes from the line of Celeste Brown with Morgan Stanley.  
   
Celeste Brown Morgan Stanley - Analyst  
Do you expect a slowdown in trends in the fourth quarter over the third quarter, just in terms of growth? It appears that at the  
consolidated property level you're expecting lower growth, just based on your guidance.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Well, we -- I'll take that, and then maybe anyone else can jump in. The fourth quarter, of course, is so heavily weighted to the end of the  
quarter, it always is. So we -- there was a time when we didn't give fourth quarter guidance because of the nature of our business. We  
have so much play in December. So, we think it the's prudent to give what we think today is our best guess. The forward-looking

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indicators are excellent, in terms of convention bookings, in terms of forward-looking room sales, in terms of the events that we're having  
at the Grand Garden and Mandalay. The things that stimulate customer activity in the casino. So at this point, I think it's fair to say we  
expect to have an up quarter on a property standpoint and we'll see.  
   
Celeste Brown Morgan Stanley - Analyst  
Okay. Great. And then would you mind just giving us the breakout of what you've spent on CityCenter and Detroit separately thus far?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
For this year?  
   
Celeste Brown Morgan Stanley - Analyst  
Well, I guess that's all been through third quarter this year, on a CapEx basis.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Sure. Year to date, CityCenter, we've spent $429 million. And MGM Grand Detroit we've spent $210 million. That's through the end of the  
third quarter.  
   
Celeste Brown Morgan Stanley - Analyst  
Okay. Thank you.  
   
Operator  
Your next question comes from the line of Dennis Forst with Keybanc Capital.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Good morning. I had a couple of questions. First, on strip win in general, I kind of think of your properties as a proxy for the strip, guys.  
But the Nevada numbers showed double-digit growth in both July and August. Unless September fell off a table, which I'm sure it didn't,  
it kind of doesn't foot with your gaming win up 5%, 6% on the strip. Unless I'm not doing the math right. And, in fact, yesterday Las  
Vegas Sam said that their gaming win was down slightly for the September quarter. So, how is the strip number running up double  
digits?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, we're trying to -- we're talking about that as you're talking, Dennis to make sure. First off, I like the fact that we're the proxy for the  
strip. We typically do better than the strip, though, so don't sell us short, relative to the strip averages. But in this particular case what  
would you say, John?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
I think what it is, without doing any research early on, is the numbers that you see reported by the State are on a cash basis. The  
numbers, of course, that we report are accrual basis. And there's wide swings in that, as you can imagine, when you look at the table  
game side in particular. When you only pay gaming tax on your cash basis wins, that creates some tremendous volatility in those -- when  
you're trying to compare books to what's reported at the State level.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Okay. I'll try and understand that at a later time. John, I wanted to ask you about room totals at the MGM. In the data with the occupancy  
numbers and the ADR's, does that incorporate the 5,000 MGM Grand rooms, or is that now including the Signature rooms as part of the  
rental base?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
No, that information is just strictly for the MGM Grand legacy rooms.

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Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Okay. And where are the additional room revenues that you get, or the partnership numbers that you get from Signature? Is that in the  
unaffiliated -- or whatever that line item is called?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
It's just in "other."  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
"Other revenue" Dennis.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Other revenue at the property?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
No, at the corporation.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
So the room revenue share you get from Signature is not included at the MGM Grand level at all?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
All right. I misspoke. They're yelling at me, Dennis. There's other revenue at the property.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Okay, at property. Got it. And then lastly, what's a fair number for annual maintenance CapEx for the Company?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
How do you define maintenance? The way we do, which is actually improving the properties?  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Sure.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
I'd say it's fair, like $500 million.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
$500 million a year approximately. Great. I apologize, let me ask Terry a question. Just on, I think it was on David's question about  
high-end play, and migrating to baccarat. Why do you suppose domestic players are actually migrating to baccarat?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Must be our world economy. I don't know. It's just -- I think it's more interesting to a lot of people, people of higher net worth. They are  
probably more traveled and it's just happening. I wish I could tell you specifically why.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
So are they moving away from the other table games?  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
No, what you're seeing -- I think that's true in that respect. But you also see migration of the Far Eastern people to blackjack, also, which  
is a reasonably new phenomenon.  
   
Dennis Forst Keybanc Capital Mkts/McDonald - Analyst  
Interesting. Thanks.

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Operator  
Your next question comes from the line of Jay Cogan with Bank of America Securities.  
   
Jay Cogan Bank of America Securities LLC. - Analyst  
I've got a few questions for you as well. First, just back to the guidance, Jim, I remember it was awhile ago when the Company used to  
generate I think it was like 40% of the gaming revenues, maybe a 25% of your total revenues, in the fourth quarter in that last week or. I  
think that was before Mandalay. Can you give us an update so we have, again, just some sense of how important that week or so is for  
you?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
I don't have the percentage in front of me, Jay. It is an important week. But now post-Mandalay, over 50% our revenue is nongaming, as  
you know. And so that will change a little bit quarter to quarter. But I don't have a flavor for that exactly in terms of percentage. I will tell  
you that it historically is a very important month, and we expect it to be a very good month.  
   
Jay Cogan Bank of America Securities LLC. - Analyst  
Got it. And as it relates to Mandalay as a whole, could you just give us an update as to maybe three or four of the major things that you're  
still working on? If there are kind of incremental synergies from there that we should expect to start -- to see through the numbers in '07  
and beyond? Whether there will be some continued improvements on the slot side, additional CapEx, whatever it is where you see some  
opportunities at certain properties or broadly to kind of keep improving the operations in the next year?  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Well, I'll take a stab at it, then I'll turn it the over to my partners here. But if some of the major initiatives at the Mandalay properties  
include a major technology upgrade in general, which is the backbone, of course, for all of our slot business, but also in food and  
beverage, hotel, et cetera. So that starts with upgrading the product on the floor, which we have been doing. It starts with Players Club,  
which has been rolling out property by property on a very systematic basis. And then it happens in the hotel as we roll out our hotel  
management system, so that we can improve our overall yielding of our rooms. All those initiatives take time. And, in fact, I think Luxor  
just went live yesterday. And it will be by the end of next year, we'll be done with all those initiatives.  
Also, from a standpoint of capital, if you were out here today you would see significant capital improvements at Monte Carlo, at  
Mandalay Bay, and soon at Luxor. In fact, it's starting already at Luxor, Excalibur. So the Mandalay properties are all going through  
significant upgrades, which we think will accrue to the benefit of earnings almost immediately.  
The results at the Mirage are not -- should not be a mystery. Yes, it held well but that really obscures the underlying business at the  
Mirage, which is tremendous. And it's because of the upgrades to that property, making a tremendous impact on the marketplace. Those  
kind of upgrades and improvements are underway at the other properties, Mandalay, Luxor, et cetera, and we expect to get a very high  
ROI on those. And then on the other side, on the cost side, we're drilling into more cost savings, mostly on the procurement area, where  
we have a very strong procurement person in place. And she's working with [Chris Nordley,] [Cory Sanders] and our property CFO's to  
extract better value, which will result in earnings.  
So, it's on the revenue uplift side, and it's on the cost savings. And the effects of it will be that we'll get a lot more profit, as you're starting  
to see, out of all of our properties, particularly the Mandalay properties.  
   
Jay Cogan Bank of America Securities LLC. - Analyst  
And speaking of the Mirage, I know Bobby can remind me, I think you said slot volumes were only up a couple percent, despite the new  
show. And I remember last year the property was down quite a bit because of the disruption. So understanding the hold issues you talked  
about, how much farther does the Mirage still have to go as an opportunity to be upside for cash flow?  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
Well, of course, Mirage is really a powerful enterprise. Everything on the floor, on the casino floor, is new, all the restaurants, of course,  
the addition of the nightclub and getting LOVE up and running. So, Mirage ought to continue to improve. It had a spectacular quarter of

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$70 million, but even if the didn't have any hold benefit it still would have been almost twice what it was last year. It would have been in  
the $50 or $55 million range. I think there's plenty up of upside in Mirage. I think you're going to see solid results out of Mirate. In fact,  
Mirage will probably make more money -- as close to as much money this year as did it its first year of operations. So, that says a lot.  
   
Jay Cogan Bank of America Securities LLC. - Analyst  
Great. Thanks a lot. That's very helpful.  
   
Operator  
Your next question comes from the line of Bill Lerner with Deutsche Bank.  
   
Bill Lerner Deutsche Bank Securities - Analyst  
Thanks. The first one is on Nevada. How's that?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, you're a local Bill now, so it's all right.  
   
Bill Lerner Deutsche Bank Securities - Analyst  
I got it it down. So, two questions. One, can you guys just reconcile your relative strength here in Vegas to what looks to be still kind of  
anemic volume growth into the market? Maybe not in the last month or, so but year to date, excluding the last month, it's like up 0.5%. Is  
this mix? What's kind of going on there.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
You talking about visitation to Las Vegas versus --?  
   
Bill Lerner Deutsche Bank Securities - Analyst  
Versus how well you guys are doing.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Well, we'd like to think that we continued to increase our competitive advantages. I know that sounds kind of trite but it's happening.  
We're building significant market share gains in all of our properties, and it's a bad quarter for us if we don't do better than the market.  
And it's actually a bad day at the Board meeting if we don't. So, I think that you should expect to see that from us. You're out here, and  
everyone that comes out here knows there's a dramatic difference property by property on the strip. Some properties are moving ahead,  
improving themselves, expanding their customers, and others are dormitories. And it can't be more profound than it is right now. And we  
think that trend is going to continue. So, I think, we all believe here, that Las Vegas is a market that will continue to grow, maybe  
modestly, but grow on a very large base, 40 million visitors. And we'll do better than that.  
   
Bill Lerner Deutsche Bank Securities - Analyst  
Okay. Then one follow-up actually for Jim as well, I think. It sounds like -- or I get the sense you guys have some cushion in the budget at  
CityCenter. And I think you were even quoted as saying material costs are starting to go the other way, finally. So as I think about it, do  
we get some amenities for free essentially at CityCenter now? I wouldn't suspect that you'd be dropping the budget?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
Well, we don't like cushion. We like contingency. That's a better word. But clearly, we feel better and better about the cost outlook in  
general. And as Bobby and his team continue to bid out and buy out CityCenter, we have more and more relative leverage in the  
marketplace. And so that budget is the budget. And it's going to be outstanding. And the dynamic out here is changing to the benefit of  
people that are constructing now, that are underway. And the other benefit is obviously, as many have noted, the number of new rooms  
that will come into this marketplace over the next half decade or so has slowed down to the benefit of the properties that are here. And  
when you have 44,000 hotel rooms here, as we do, that's a good outlook.  
   
Bill Lerner Deutsche Bank Securities - Analyst  
Okay. That's great, Jim, thanks a lot.

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Operator  
Your next question comes from the line of James Hardiman with FTN Midwest.  
   
James Hardiman FTN Midwest Research - Analyst  
Couple questions. I know you guys are short on time. In terms of guidance for the fourth quarter, can you talk about what the Primm and  
Laughlin properties would have added? Obviously, those are going to be in discontinued ops. But just for the purposes of comparisons to  
last year's fourth quarter, how significant would that have been in the fourth quarter?  
   
Jim Murren MGM MIRAGE - President, CFO, PAO, Treasurer,  
$0.01 or $0.02.  
   
James Hardiman FTN Midwest Research - Analyst  
Okay. And you sort of touched on this. But just back to the margin, a pretty big improvement in the Mississippi region. It looks like not  
only better than last year's numbers but probably the best margin number you've ever had there. Can you break out what the margin was  
at the Beau Rivage versus the Gold Strike? I guess I'm just trying to figure out which of the properties, it could be both of them, but which  
of these led to the bulk of the margin improvement there? And if we can expect -- and if there was anything in the numbers that would  
temporarily inflate those that we should not expect going forward?  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
Well, the Beau Rivage margin was up significantly, but it also had the benefit of the grand opening, or the grand reopening of the hotel.  
In the comparable year in '04, it had a 24% or 25% operating margin. It was about 8 or 10 points higher than that for this period. But  
that's all been normalized a bit. The big improvement was really up in Tunica, where they had virtually no margin the year before, about  
11%. And they had a more normal margin of 22% in this quarter, as Holly does a better job of leveraging that asset in Tunica. So, I think  
you will see the big improvements in Tunica and a more normalized margin than 25%, 30% range going forward in Biloxi.  
   
James Hardiman FTN Midwest Research - Analyst  
Okay. Great. And just one last question to the higher construction costs. Can you comment on sort of where you've seen labor costs go?  
And I guess even availability of labor and what you've dome to maybe mitigate some of those costs?  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
Well, as it relates to CityCenter, we see a little bit of a flattening in materials and labor looking forward. We have bought out about $600  
million of the job for CityCenter, which is about 15% of the total construction component of $4.2 million. So we see the margin -- we see  
the materials and labor stabilizing but CityCenter was very long on planning. So, it was a project that has been in the works for over two  
years. And so we had a long time to plan for the materials and labor required to design and construct CityCenter. So, we have a pretty  
good understanding of the cost. Other people's costs may even be higher than ours. We don't know. We put a lot of pressure on the  
construction market, obviously, because we soaked up a lot of the capacity to build buildings in Las Vegas in particular.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
And just one follow-up on that, is that the Board of MGM approved a construction budge vet CityCenter, and it hasn't gone up since they  
approved that budget. So, there hasn't been, for CityCenter, an increase in construction costs.  
   
Bobby Baldwin MGM MIRAGE - Director, CEO of Mirage Resorts, President of Mirage Resorts and Project City Center  
We don't expect one.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
And we don't expect one. One last question, operator.  
   
Operator  
Yes, sir.

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John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Do we have one last question?  
   
Operator  
Yes, sir. Our last question comes from the line of Matthew [Farkas] with CRC Asset Management.  
   
Matthew Farkas CRC Asset Management - Analyst  
Hi, guys. Great quarter. Could you maybe just spend two minutes talking about Atlantic City? You've had a huge success with your  
partnership there with Boyd at Borgata. And I know that property is expanding. Do you see doing any other projects there? Obviously, if  
you build it, people will come. And you have proven that you can put a beautiful property there and it's going to be very successful.  
   
Terry Lanni MGM MIRAGE - Chairman, CEO  
Well, this is Terry Lanni. And we have exactly 71.38 acres, I think, immediately adjacent to Borgata. And Ken Rosevear, our President of  
Our Development Company, is taking a look at the opportunities there. And we're looking and in the early stages of creating a mixed use  
development for that. We're calling it CityCenter East, just as a working name but it will be mixed use. It will be something that we're  
going to own and operate ourselves.  
We have great partners in Boyd. If we were to do a partnership it would be with them. But we've made the decision that we want to go it  
alone on that particular site. And we do think it's a premier site. It's a perfect location immediately next to the very successful Borgata  
that you mentioned, as well as the very successful O'Hara's Marina. So, we're very excited. And it's certainly in our future. And we're  
working on that and probably would have some plans after the first of the year to discuss with the appropriate people.  
   
Matthew Farkas CRC Asset Management - Analyst  
Thank you so much for taking my question.  
   
John Redmond MGM MIRAGE - Director, CEO of MGM Grand Resorts, President of MGM Grand Resorts of MGM Grand Detroit  
Thank you. And I think that will be about it for this call. I want to thank you all on behalf of our Company here for participating. And as  
always, if you have any follow-up questions, please don't hesitate to call. Thank you very much.  
   
Operator  
Thank you. This does conclude the MGM Mirage third quarter conference call. You may now disconnect.  
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James Murren MGM MIRAGE - CFO, Treasurer  
   
John Redmond MGM Grand Resorts - CEO, President  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
   
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Dennis Forst KeyBanc Capital Markets - Analyst  
   
William Lerner Deutsche Bank - Analyst  
   
David Anders Merrill Lynch - Analyst  
PRESENTATION  
   
Operator  
Good morning and welcome to the MGM Mirage fourth quarter conference call. Joining the call from the company today are: Terry Lanni,  
Chairman and Chief Executive Officer, Jim Murren, President, CFO and Treasurer, Bobby Baldwin, President and Chief Executive Officer,  
Mirage Resorts, John Redmond, President and Chief Executive Office MGM Grand Resorts, Gary Jacobs, EVP, General Counsel and  
Secretary.  
[OPERATOR INSTRUCTIONS] After the company's remarks, there will be a question and answer period. [OPERATOR INSTRUCTIONS]  
Now I would like to turn the call over to Mr. Jim Murren.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Thank you, Leslie. Good morning, everyone. As you know, we're broadcasting this call today on the Internet on our website,  
www.mgm-mirage.com, as well as companyboardroom.com. Replay of the call will be available on our website. We filed a Form 8K this  
morning with our press release.  
And additional information was posted on our website, which gives you significant additional detail behind the numbers that were  
included in the release.  
Before we begin, I'm obligated to read the Safe Harbor disclosure. Information we present on this call may contain forward-looking  
statements as defined by the SEC. Such forward-looking statements are protected by the Safe Harbor amendment, so the Private  
Securities Litigation Reform Act of 1995. You can identify such statements by the use of the words: we expect, we anticipate and similar  
phrases.  
These forward-looking statements may include information about: future earnings, expected business developments, anticipated capital  
expenditures, future financing alternatives or other statements made about future periods. Forward-looking statements involve risks and  
uncertainties that could cause actual results to differ materially from estimates. Listeners should also refer to our disclosures about risks  
and uncertainties made in our filings with the SEC. So, with that I'll turn it over to Terry Lanni for a general discussion.  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
Thank you, Jim. And happy Valentine's day.  
I think it's the first time in my 30-years in the industry we've ever had an earnings call on Valentine's day.

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Earlier today we reported diluted APS from continuing operations of $0.68 for the fourth quarter. This is an all-time record for any  
quarter in the company's history. In fact, it's record revenues and record earnings for the entire year. Operational results, the net revenues  
were increased to $1.8 billion, that represents an 11% increase.  
Gaming revenues increased 13% including the contribution from the reopened Beau Rivage. We had an excellent western New Years and  
high-end business remained very strong during that period of time. Beau Rivage has completed its Tom Fazio Fallen Oaks Golf Course. In  
fact, that's the fourth Tom Fazio golf course in the company. We're very proud of this new addition and hopefully the weather will allow  
us to continue to operate there for a long period of time.  
Some of the other aspects of this quarter, we made progress on several growth initiatives.  
We finalized the agreement with the Mashantucket Pequot tribal nation. We entered into a memorandum of understanding with  
Mubadala, a development company of Abu Dhabi of The United Arab Emirates. We also entered into advanced discussions with the  
Diaoyutai State Guesthouse in Beijing, arm of the Foreign Service Department of The People's Republic of China. And I'd like to  
emphasize that these agreements are very strategic and very meaningful. We are focused on maximizing the value of two of our most  
important assets. Those are our brands and our significant real estate holdings.  
And we're very committed to these partnerships and expect to produce tangible projects resulting from these agreements in the very  
near future. On City Center, it's continued progress on the project. Residential efforts are now underway and Bobby will provide a  
complete update in his report today.  
Earlier this week, we announced our plans for the development of a new community in Jean, Nevada, which is about 25 miles south of  
Bellagio, on either side of I-15 with our partners American Nevada Corporation.  
We believe, this transaction allows to us generate significant value and allows us to address affordable housing needs of our employees.  
With the increase in housing prices, it's been difficult for the more modest income level people in this community and we think this will  
go a long way in dealing with that situation and we're very pleased with this joint venture.  
On Macau, the construction of MGM Grand Macau is progressing to a fourth quarter opening. It's a very exciting time for our company.  
We, along with our partner, are committed to this exciting marketplace and are pleased to acknowledge that our second project will be a  
site in Cotai. Develop planning will begin immediately on that. And we look forward to creating another world class resort experience.  
I'd now like to turn back over to Jim for a few more comments on our financial results.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Thank you, Terry.  
There were several items in the quarter which affected the comparability of earnings year-over-year, so we listed them in the release, but  
I'm going to highlight them for you again here.  
Profits from the unit sales at the signature occurred in the current fourth quarter only. We earned $0.15 a share from our share of the  
profits on Tower II in the fourth quarter. We had closed about 87% of those units as of the end of the year. That was higher than our  
guidance of $0.09 to $0.10. And that's simply due to the timing of closings.  
We did a better job of closing them in the fourth quarter.  
The overall estimate for Tower II profits was unchanged. We had said $75 million, that's our estimate. We'll have a couple more cents  
here in the first quarter. We also had a $0.15 share positive impact from preopening and property transactions. That's versus a negative  
$0.02 in 2005.

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That mostly is due to the insurance recoveries that we received, that we talked about at Beau Rivage.  
Stock option expense was $15 million and that was in the fourth quarter '06, not in '05.  
Overall, gaming revenues were very strong, they were up 13% in the quarter excluding Beau Rivage. Table games revenue was up 8% and  
slots were about flat. Table game whole percentage was in the normal range for both periods although it was a little higher in the fourth  
quarter of '06 versus the fourth quarter of '05. Hotel revenues were also quite strong, up 8% in the quarter and Las Vegas Strip RevPAR  
was up very strong 8%.  
That was against by the way tough comp. We're also up 8% year-over-year in the fourth quarter '05.  
Food and beverage and entertainment revenues were also strong. Food and beverage revenue was up 2% in the quarter, and was up 2%  
without Beau Rivage. That was due to some of the restaurants and lounges that we've added at several of our resorts, and I'm thinking of  
the Mirage and Mandalay Bay in particular, but really company wide.  
Entertainment revenue was very strong up 19%. That's really attributed mostly to the success of LOVE over at the Mirage, but pretty good  
revenue overall.  
Our property EBITDA or cash flow was $740 million, that was up 38% versus $537 million in 2005. There were several items that affected  
that comparison. Profit from the Signature obviously positively impacted property EBITDA by the tune of $65 million in the fourth quarter  
of '06.  
Beau Rivage had property EBITDA of $106 million, which included the $86 million of insurance recovery. So you get the net number for  
Beau Rivage. And adjusted therefore for these items property EBITDA or cash flow still was up 6% with a margin of 32% in both periods.  
Specifically on the strip, we talked about our RevPAR being up 8% on the strip. So was our EBITDA up 8% year-over-year.  
On an apples-to-apples basis, actually it was up more than that, because, of course, we had City Center expenses, more so this quarter  
than the fourth quarter a year ago. And we had The Boardwalk Casino obviously in the prior year quarter, but not this quarter. And if you  
look at it therefore on an apples-to-apples basis, our strip cash flow or EBITDA was up 10%. So, with that I'm going to turn over to John  
Redmond to talk about MGM Grand Resorts.  
   
John Redmond MGM Grand Resorts - CEO, President  
Thanks, Jim. Good morning, everyone. MGM Grand Resorts had a very strong quarter with all four strip properties. The Grand, Mandalay,  
Luxor and Excalibur achieving the highest fourth quarter EBITDA in their respective history.  
We also saw record revenues throughout many of the departments of all of the properties. In particular, MGM Grand, Mandalay Bay and  
Luxor had the highest slot revenue quarters in their history. The four Las Vegas strip properties had ADR growth of 6.3% and slot revenue  
was up an impressive 5.9%.  
The convention business at MGM Grand, Mandalay Bay in Q1 of '07 continues to be extremely strong with room nights between the two  
properties and ADR up 21% and 6.4% respectively.  
Room renovation started in Q4 '06 at Mandalay Bay and Excalibur.  
For the first time since opening in 1999, the original Tower at Mandalay Bay is being remodeled. The renovation began at the end of  
November and is expected to last until August of '07, with up to 600 rooms being out of order on a weekly basis.  
We expect to lose approximately 42,000 room nights in Q1, 54,000 room nights in Q2 and 11,000 room nights in Q3 '07. To date,  
approximately 945 of the Mandalay rooms have been renovated and the initial customer response has been very strong.

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In November, 2006, we began renovating 1,000 rooms at the Excalibur. The project will be completed in April of '07.  
The Excalibur rooms have not been renovated in a meaningful way since the property opened in 1990. Initial upgrade of 25% of  
Excalibur's rooms will create a test environment to gather further customer feedback on product and evaluate the upper range of ADR  
within this most important demographic. As an added data point, the delta in the ADR between the Excalibur and New York-New York  
for the year 2006 was $42.  
In addition to the fact that the properties are connected, the Excalibur standard room is larger than most rooms at New York-New York.  
Needless to say, we are very excited by the upside potential of Excalibur room renovation. We expect to lose approximately 30,000 room  
nights in Q1 and 1,200 room nights in Q2 of '07 due to this renovation.  
As of this Friday the 16th, approximately 413 of those rooms have been renovated and have been extremely well received.  
Q1, 2007, we will recognize approximately $10 million on the remainder of the gain on the residents at Tower II that Jim referred to. The  
Tower III will be completed in April of '07 with closings slated to begin in May of '07. Operations on that Tower III are expected to begin in  
July of '07.  
The response to the residents continues to build and we are seeing spends throughout the property from the residence hotel guest  
consistent with that of the guests staying at the MGM Grand. Finally in Q2 of '07, MGM Grand will be hosting the Oscar de la Hoya and  
Floyd Mayweather fight. This must-see event sold out in less than four hours. And we expect it to draw significant high-end play in the  
quarter.  
Moving to Detroit. In Q4 '06, again, another strong quarter. Detroit continued its very strong performance with the best fourth quarter  
slot revenue in the history of the property.  
With regards to the permanent facility, we're ahead of schedule with an expected opening date in early Q4 '07. On that note, I'll turn it  
over to my colleague, Bobby Baldwin.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Thank you, John. And good morning.  
As you can see in the release, Bellagio had a record year, as it benefited, of course, from the improved facilities at Bellagio. Bellagio in '07  
also had some additional capital improvements, including a new high-limit room and a full remodel of all of its hotel suites that hadn't  
been remodeled, of course, since the hotel opened. The Mirage, likewise The Mirage Hotel Casino '06 results were considerably higher  
than in '05 as it benefited from a long list of improvements including the results of the new LOVE show.  
Beau Rivage experienced its best fourth quarter in its history. The fourth quarter included the openings of the Fallen Oak Golf Course,  
three new restaurants and show room. All aspects of the reconstruction of Beau Rivage are now complete.  
Construction of City Center is progressing quickly and continues to be on budget and on track for the forecasted November 2009  
opening. It's an impressive site with 21 frames and 21 cranes to come. We'll have 42 total. Currently, there's about 1,200 workers on the  
site.  
The hotel casino Tower has reached the seventh floor. We're currently placing concrete at a rate of one floor every nine days. Foundations  
for the convention center and the casino podium area are currently also underway. The construction at City Center has begun on the  
Mandarin, Vdara, Veer Towers and The Harmon Hotel. Construction also has begun on the [inaudible] retail experience and therefore all  
components in City Center are now fully under construction.  
We recently completed a cost review of City Center and the project remains on budget and on schedule as I mentioned. Total cost of City

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Center is $7 billion with the net investment of $4.5 billion after deducting the projected retail proceeds of $2.5 billion.  
The Residential Sales Pavilion opened on January 2nd, located between Monte Carlo and New York-New York on the Las Vegas strip. We  
also have City Center residential galleries at the Bellagio and Mirage Casino Hotel. The residential sales process began in October with  
Our Friends and Family Program producing more than 1,600 reservations.  
The residences at the Mandarin Oriental sales launch was in mid January.  
Mandarin sales to date are $613 million with 90% of the residential sold at an average price of $1,584 per square foot. There are 227  
units in the Mandarin and therefore 200 units sold. The Vdara Condo Hotel sales launch begins January 20th. I mean February 20th.  
There are currently over 743 reservations for the 1,543 available units.  
The Veer Towers, their sales launch begins April 2nd, and there are currently 619 reservations for the 674 units available at Veer.  
Our final residential release will be The Harmon in June of this year. And there are 209 units at Harmon.  
And that concludes my report. Jim?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Why, thank you, Bobby. Before we turn it over to questions, I have quite a bit more financial information as we typically do to provide to  
you.  
Interest expense in the quarter was consistent with our guidance. Net interest was $187 million, that broke out to be $227 million at  
gross, cap interest was $40 million and net was $187 million.  
Corporate expense was $51 million. That was higher than our guidance. We had higher IT expenses, higher payroll and higher legal  
expenses in the quarter.  
Some other items that impacted earnings and EBITDA. Preopening and start-up expenses were $9 million in the quarter. That was  
primarily City Center, MGM Grand Macau, MGM Grand Detroit and The Signature at MGM Grand Las Vegas.  
Terms of capital expenditures, we spent $518 million in total in the fourth quarter. Excluding Beau Rivage, the investment amount was  
$455 million which was right on our guidance.  
Approximately $339 million of that number was spent on development projects, primarily obviously City Center and MGM Grand Detroit.  
The remaining $116 million was spent at the existing resorts. That's a little bit higher than our run rate as we are currently, as John and  
Bobby mentioned, working on several projects both at Mandalay Bay and room remodels at TI Excalibur and Mandalay Bay.  
Overall, our capital expenditures for the year were $1.5 billion, and excluding Beau Rivage it was $1.1 billion for new projects.  
In the quarter, we issued $750 million of fixed rate debt. There was a 10% note. We used that to reduce our outstanding balance of our  
senior credit facility. As of the end year, we had approximately $2.6 billion available under our credit facility. Our fixed-to-floating ratio at  
year end was 67% fixed, 33% floating.  
We bought back 6.5 million shares in 2006 for a total cost of $247 million, average cost of $38 a share. Since the Mandalay merger, we  
have bought back 12 million shares for $464 million, average cost of $39 a share. Our remaining authorization is for 8 million shares. We  
have 8 million shares left to go on our current authorization.  
Before I turn over to questions, I want to talk a little bit about guidance. As you know we typically provide quarterly guidance.

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At least guidance in terms of how we think we're going to do in the current quarter. And we thought about it and we decided to  
discontinue doing that for the following reasons. One is, we're going to give you all of the information that we typically do give you in  
terms of the previous quarter which obviously you have right now. Two, we're going to give you, and as I will in a minute, quite a bit of  
nonoperating information, and as we always do.  
And also, as Bobby and John talked about, I'll add to it, we'll give you -- use our current trends. Focus on quarterly EPS guidance I think  
it's missed what we've been talking about in the overall release. And really it's ironic this particular quarter because we haven't even  
started Chinese New Year's yet. Last year we'd actually finished Chinese New Year's when we were talking about the fourth quarter and  
had a good idea of what we had earned this quarter. Chinese New Year's hasn't even started yet.  
So, even if we were to continue quarterly guidance, the range would be very, very wide because, although we think lots of people are  
going to show up, we have very good expectations, we don't know how we'll do.  
So, as you know, that's our view on that, and we think a couple of general comments. One is, we think our gaming volumes will be up. We  
think RevPAR trends continue to be strong.  
In fact, we think it will be along the lines of the fourth quarter which as we said were very robust. Specific income statement guidance in  
the quarter in terms of Tower II profits at Signature, obviously we'll recognized the remaining $10 million of profits in the first quarter.  
That's $0.02 a share for us. That's versus the $0.07 or $0.08 we had previously guided. Obviously, we got that in the fourth quarter. So,  
you have to make that adjustment in your model.  
Stock option expense will be around $0.03 as it was last quarter. Corporate expense we estimate to be in the range of $40 million to $45  
million in the quarter.  
Net interest expense will be approximately $190 million in the quarter, gross interest about $235 million, cap interest $45 million. Give  
you a net of $190 million.  
We think our depreciation will be in the $175 million range. That excludes Laughlin and Primm. Recall that those properties are now  
classified within our discontinued operations line item. And therefore, not been depreciated since they are being held for sale. In our  
income tax rate, we're estimating to be around 36% in the quarter.  
In terms of capital expenditures for the year, we promise to give you a outlook for 2007, and we expect to spend primarily here at City  
Center but we expect to send about $2 billion on two major projects. City Center and the completion of MGM Grand Detroit. The majority  
of that is at City Center.  
We expect to spend around $300 million on room and suite remodel projects.  
The suite project here at Bellagio, rooms product at MGM Grand Las Vegas, Mandalay Bay, Excalibur, Circus Circus Las Vegas. These are  
maintenance in nature obviously, but we've had great success in the past in yielding much higher ADRs from these improved room  
products, so we're hopeful we can continue to do that.  
These improvements are, I think, we think, well planned so they'll be executed throughout the year to minimize as we typically have done  
the potential impact on our operations at any given time. Other maintenance spending will be around $650 million. That brings our  
overall estimated Capex to about, a little bit less, to about $3 billion of which we think that will be spent roughly evenly across the four  
quarters here in 2007. So, that was pretty good for us, 25 minutes. We have plenty of time for your questions. So I'm going to turn it back  
over to Leslie so we can get right to it.  
QUESTIONS AND ANSWERS

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Operator  
[OPERATOR INSTRUCTIONS] Your first question comes from the line of Larry Klatzkin with Jeffries.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
Hi, Jim. Good results. Couple questions. This additional Macau casino in Cotai, would it be safe to assume sometime in mid 2010 for  
when you might get that open?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
We can't give you the exact date, Larry. And thank you. Some day you'll have to tell us how you're the first every call. I'm intrigued.  
But we can't give you the exact date as to when that second casino will open. We have promised the Chief Executive will get the  
information over to him first. Before we do so, it wouldn't be appropriate to mention it here.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
All right. As far as land, you have a whole bunch of land around the country. You've announced now the Jean deal. You're doing City  
Center East in Atlantic City.  
There's a rumor that came out of a court case that you may be doing a [inaudible] with Fox Woods on the marina land in Atlantic City.  
Two things. One, could address the Fox Woods issue? And then, second, any other piece of the land that we might get excited about?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Well, I'll tackle that. Maybe Terry you want to do it as well. One is we have no joint venture that is specific with Fox Woods on an Atlantic  
City site or anywhere else for that matter.  
We do have a joint venture agreement with Fox Woods the Mashantucket Pequot tribal nation to explore investments throughout  
gaming worldwide which could include Atlantic City and Las Vegas. But -- so, I think they're unnecessarily linking the two. We did win a  
court case, and that's good news for us.  
As it relates to our land in general, we do have quite a bit of land available to us both here in the Las Vegas valley and in Atlantic City,  
and I think people are recognizing that we can deploy our resources in a very productive manner through joint ventures and otherwise  
like we've done in Jean, for example, to maximize the value to our shareholders. I think there was a first part of that question that I  
missed. So I'll turn it over to Terry  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
Let me add a point to that. It's Terry Lanni. Our focus and our board has given us direction. The focus on Atlantic City is on the 71 acres  
next to Borgata. That's our primary focus. We're going to develop that on our own as a wholly owned entity.  
And we have been given approval by our board to move ahead with preliminary work and given us authorization to spend up to $20  
million. For that, that would take approximately a year. That would put us in a position to reach out to CAFRA about this time this year.  
That's Coastal Agency Facility Review Act. Some at the California Coastal Commission, which needs about another year. So if we were  
aggressive and worked as we would want to, it would be the ability to begin construction again. It's a long way away from that. It would  
be about two years from now, but that's our primary focus.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
All right. And then I guess my last question would be, any more insurance proceeds we might be expecting?  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
We sure are expecting more. We haven't received any yet this quarter, but, yes, we are expecting more.

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Lawrence Klatzkin Jefferies & Co. - Analyst  
All right. Thanks. Good results, guys.  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
Thank you.  
   
Operator  
Your next question comes from the line of Harry Curtis with JPMorgan.  
   
Harry Curtis JPMorgan Chase & Co. - Analyst  
Hi. Good morning. Could you -- can you hear me?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Sorry. We lost Harry. Bad mike.  
   
Operator  
Okay. Your next question comes from the line Joe Greff of Bear Stearns.  
   
Joseph Greff Bear, Stearns & Co. - Analyst  
Good morning, everyone.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Hey, Joe.  
   
Joseph Greff Bear, Stearns & Co. - Analyst  
Jim, maybe you can talk a little bit to the extent that you can maybe how active you guys were looking, working on or considering an  
OpCo/PropCo structure, and maybe within the having a time constraint of having a conference call, highlight the pros and cons of maybe  
why you'd want to do something like that.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes. We'll lay out our internal plan right here. Yes. No. OpCo/PropCo as most people recognize is the concept of splitting a company or  
parts of a company into two entities whether they are two C corps or a T corp and a REIT, or there are a varieties of structures for it.  
And the interest comes from whether or not you can get -- create better value by putting real estate into one entity and having another  
entity, which primarily manages the real estate for that second entity. I, obviously am not going to comment on what we're doing here,  
but I can tell you there's an enormous amount of interest in gaming in general as it relates to the real estate. Some companies I am sure  
are looking at the OpCo/PropCo combination and split off. Other forces are looking at the forces behind why that is interesting.  
The forces for example of the CMBS market, which has a brand now pool of financing, which is very attractive to real estate-based  
companies like gaming companies. That is obviously going to be a component to the buyout group that is acquiring Harrah's right now  
and probably also with stations. That doesn't necessarily have to mean that that's the only way you can deploy that type of technology.  
So, public companies and private have a new source of income, a new source of revenue, a new source of capital to finance projects either  
on balance sheet or off balance sheet with partners. The other major emphasis has been obviously with the private equity world. And  
again that creates lots of opportunities for public companies and private companies, not just ones that are acquiring.  
So, OpCo/PropCo is topical. We have certainly looked at a variety of capital structures.

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We're not at liberty to say what we're going to do at this point, but I will say that the options available to MGM today are far greater than  
had they've ever been as it relates to partnerships, joint ventures and other recapitalizations or capital structures.  
I think the Jean joint venture gives you a hint of that. Jean makes $6 million a year for us right now. We obtained a value of $150 million  
for those assets. That's a good multiple on cash flow. So, in other words, over $900,000 an acre.  
So, we put the Jean assets into a joint venture. We own 50% of it. We have partners that have the other 50%. And we can go out and  
finance the growth of that marketplace off balance sheet with a variety of capital sources. So, it gives you a hint as to, I think, the  
opportunities companies have that have a lot of real estate.  
   
Joseph Greff Bear, Stearns & Co. - Analyst  
Good stuff. Thanks, Jim.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Thank you, Joe.  
   
Operator  
Your next question comes from the line of Steve Kent with Goldman Sachs.  
   
Steven Kent Goldman Sachs - Analyst  
Hi. Good morning. Two quick questions. One, Jim could you talk about the land that you're looking at for the second project in Macau,  
maybe a little bit more specific as to where that would be or how that would work? Then the second question is, maybe Bobby, we could  
talk about the demographics of those showing interest in the condos broadly of project City Centers, essentially domestic versus foreign,  
California buyers. Who's really showing the greatest interest in these properties?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Well, I'll tackle the first. Maybe over to you, Bobby, on the second. We have identified a site with a Chief Executive. We've been asked not  
to specifically name where that site is, so of course we're going to honer that wish and not tell you exactly where it is. Although we can  
say there is a site that has been identified. It is in Cotai and it's a site of sufficient size to do something quite wonderful on.  
And when we're ready to present that to the Chief Executive and once we get to that process, we'll make it specifically available to  
everyone else. As it relates to residential, I'll turn it over to Bobby.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Good morning, Steve. The demographics roughly are about 30% are California buyers, 30% of the buyers from Nevada, and then the  
international buyers are kind of split. The people that international is about 8% from overseas and about 20% are people that have  
international people have considerable assets and for the most part live in the United States. So, it's about 33%, 33% and 33% and 10%  
miscellaneous.  
   
Steven Kent Goldman Sachs - Analyst  
Bobby, is it dramatically different that you saw at Signature or is it attracting a different customer?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
John can answer that.  
   
John Redmond MGM Grand Resorts - CEO, President  
Most definitely. Signature was for the most part all domestic buyers, but significant out of California. Not as much other than the investor  
population in Nevada.

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Steven Kent Goldman Sachs - Analyst  
Okay, thanks for the call.  
   
Operator  
Your next question comes from the line of Robin Farley with UBS.  
   
Robin Farley UBS - Analyst  
Great, thanks. I wonder if you could give a little color on the table drop in Las Vegas. You mentioned the revenues and the whole  
percentage to get a sense of volume?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
In the fourth quarter, Robin?  
   
Robin Farley UBS - Analyst  
Yes.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Let's take a peek at it. Table drop was -- it up a little bit. I'm trying to get more specific. Las Vegas in general on the strip -- was that  
down a little bit?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes, down a little.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
It was down a touch on the strip. Up a little bit overall in terms of drop. Year-over-year, we had a lot of drop as you recall in the fourth  
quarter last -- the prior year, our whole percentage. I think we talked about it in the prior year release was a little bit lower. It was in our  
normal range in both years, but it was the lower end of our range in '05 and then kind of more in the midpoint of our range in '06.  
   
Robin Farley UBS - Analyst  
When you look at -- I know you have a number of room remodel projects going on, can you quantify what percent of rooms were in Q4?  
That may help put in context the table volume thing down a touch and the 1% increase in slot volume. That's against I assume some kind  
of decline in rooms available?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Sure. The big component of rooms in service or available year-over-year was the fact we didn't have The Boardwalk this year versus a  
year ago. So, The Boardwalk was around 60,000 rooms. So, we had 69,000 rooms less available in the fourth quarter of '06 versus '05,  
so we had rooms available of $3.3 million, right, basically, versus rooms available $3.39 million in the delta. So specifically it's $3.318  
million, basically versus $3.388 million. 69,000 less room nights was primarily The Boardwalk. The $9 million was throughout the  
company and that's room remodel.  
   
Robin Farley UBS - Analyst  
Alright. And lastly, can you talk a little about time line in the exact terms of Nevada and New Jersey approval of your Macau partner?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Yes. I think it's the same as what we typically did. You want to take that, Terry?  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
Gary Jacobs may want to amplify on this. But we're continuing to cooperate with the regulators in both those jurisdictions. Their timing  
will be their timing. And when they propose it they will propose it. And we'll learn it probably at the same time you do.

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Robin Farley UBS - Analyst  
Great. Thank you.  
   
Operator  
Your next question comes from the line of Jake Cogan with Banc of America Securities.  
   
Jeremy Cogan Banc of America Securities - Analyst  
Hi. I've got a couple for you here. First, as it relates to the residential sales thus far at project City Center, Jim or Bobby, could you just tell  
us how firm, for example, the sales are at the Mandarin just so we're clear? Is that $613 million or so in the bag? And also, on a relative  
basis, are there any firm sales at the other projects or -- I didn't get all of the dates that you outlined. Then I have another question or two  
after that.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Okay, Jake. As it relates to the Mandarin sales, of the $600 million or so, those are contracts for sale. And the buyer has to put down 10%  
of the purchase price nonrefundable at that point in time.  
Six months later, or six months from January, they have to put down the other 10%, which would make it a nonrefundable deposit of 20%  
in total. And the other 80% is due at the closing, which would be the summer of '09. That's how the money rolls out. And to how solid  
the sales are, all we can do is tell you that the deposits are nonrefundable and they are contracts for sale as are typical.  
We did look at Signature, who had 1,500 unit range of sales, and they had about 10 or 12 of those contracts default.  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
As a buyer, Bobby, you should also point out it's not interest bearing.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
It is not interest bearing. I'm not buying one. We've got Terry's money locked up. That's a good start.  
As it relates to the future releases, the sales release, as I said for Vdara is February 20, and it will take a little over a month to work  
through the Vdara sales release. And then the Veer sales release is April 2nd. Which are the Helmut Jahn Towers. Then finally The  
Harmon in the summertime. The important thing is that the sales program residential sales program at City Center is 30 months in  
length, which actually began in October of last year and concludes in the summer of '09.  
We, of course put Mandarin on the market first. It was the most advanced product that we had. Also we thought was going to be the  
most eye popping of all of the offerings. We wanted to process Mandarin first. That's why we led with Mandarin. Then the other three  
products rolled out in the order we discussed.  
   
Jeremy Cogan Banc of America Securities - Analyst  
On the nearly $1,600 a foot you got on the Mandarin, how did that compare relative to the internal budget, so we're clear how much  
better things are going on a project by project basis.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
The internal budget was $1,400.  
   
Jeremy Cogan Banc of America Securities - Analyst  
Okay. As it relates to, Terry, you mentioned in your initial remarks about how was the joint ventures. They would be very significant in  
maximizing both the brands and the real estate. I think it's clear to see how the brands would get maximized.

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I was wondering if maybe we should expect opportunities as far as the real estate goes with some of those partners, because that's a  
little bit less clear to me, except maybe there were maybe some opportunities to do some other projects on your existing real estate, for  
example Las Vegas if not elsewhere.  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
I think Jean was a perfect example Jim already gave. $900,000 an acre is unheard of for property in Jean, Nevada, for 150 acres. And the  
ability to develop that and we expect it will be a mixed use development. I think you'll see retail components through there. Midrise and  
apartments, probably some timeshare. A lot of other factors. So I think that's what the factor is. We're going to enhance the value of the  
existing real estate we have. Along the strip, Jim has pointed out and I have a number of times, of the 800 or so acres we have along the  
strip, at least 300 acres of it is either undeveloped or underdeveloped. 25% of that is represented by City Center. But there's a heck of a  
lot of property and front and Frank Sinatra side of Excalibur and Luxor and Mandalay. And we think there's some great real estate  
developments there that will afford us two alchemies. One, to monetize some of the land there, but also create traffic, which will be  
beneficial to all those hotels. So, it's a significant factor.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
And if I could add, Terry, for example, Mubadala, as an example, which in the press release, an extremely strong partner of ours moving  
forward as we work for a joint venture with them, has expressed an interest in a variety of locations that we're already in.  
So, from a standpoint of bringing in partners into existing real estate, I think you're correct in your assumption that is likely to happen,  
and I think that is the template for other type of joint venture arrangements that would probably have at various stages of development.  
   
Jeremy Cogan Banc of America Securities - Analyst  
A final question, as we all try to figure out what this company's going to look like maybe a few years down the road from a structure  
standpoint. Can you talk a little bit about how much the management side of the equation is going to mean in regards to cash flow  
significance? You've obviously, through these joint venture announcements, has made progress there.  
How many more of these opportunities? How significant will they be? Do you have some kind of internal target? I just wonder how that's  
going to play out potentially?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
We've actually spent quite a bit of time on this. And it's evolving as a business unit within MGM Mirage, but it's clear that as we evolve  
our company we have substantial projects which are capital intensive, which we believe that will yield great returns for us. City Center  
would be a classic example. Terry mentioned Atlantic City.  
That would be another great example of that and there would be others. Also as we are focusing our company on these major projects  
and divesting of some of our smaller resorts like Primm, for example, and Laughlin. There's an opportunity to replace those cash flows  
with management cash flows. Development in management of gaming and nongaming hotels really worldwide. We believe there is  
great potential in that business for us.  
We know how to develop. We know how to manage hotels. We do that a lot all day long. And we feel like with our brands, or with brands  
that we develop, finding right partners globally would be a great way of diversifying our cash flows and building a big business.  
Cathy Santoro here, is in the room, has been working on this project with Terry and a variety of people here and has been building up a  
model that shows a pretty substantial growth in this type of business over many years. And it's not lost on us when we see Four Seasons  
go out at 30 plus times cash flow, or Fairmont go out at 18 times cash flow, and look at some of our brothers in the hotel industry that are  
more asset light, I guess, that have been able to grow their cash flows through joint ventures, and achieve very high margins in returns.  
It's -- we are in the gaming resort business. That is our principal business. But we believe we can enhance our growth through that  
mechanism.

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Terrance Lanni MGM MIRAGE - Chairman, CEO  
I would add that I've also been identifying individuals from within the company, as well as outside the company who could form a team  
as we move this forward as it evolves. So, I think we have sufficient management internally and some people we've identified externally  
to allow this to move forward as we do.  
   
Jeremy Cogan Banc of America Securities - Analyst  
Great. Thanks so much.  
   
Operator  
Your next question comes from the line of Mario Kontomerkos with JP Morgan. Mario, your line is open. Your next question comes from  
the line of Jeff [Vaughnston] with Bank of Montreal.  
   
Jeff Vaughnston Bank of Montreal - Analyst  
Thank you. Terry, you've been a great observer of the Asian gaming market and especially bringing it to America and to your company's  
business. How is the world, the Asian gaming market changing now with Macau and what may occur in a couple of years in Singapore? Is  
it going to be complimentary to what is happening here in the U.S., or is it going to be a major competitor?  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
I think both complimentary and competitor. That's why we obviously want to be in Macau and other parts of Asia. But the real dynamic  
that's taking place now is really what's happening in the four coastal provinces of The People's Republic of China. If you even look at  
Taiwan, which is still a good market for us, a significant portion of our high-end customers from Taiwan have either moved to, or moved  
their businesses to the People's Republic of China, spending less and less time there.  
So a lot of the business that comes out of the PRC now is Taiwanese business because substantially established and significant sums of  
money already in place.  
But if you take a look at really what's happening in Macau, when you add up the dollars that are probably wagered in Macau, I would  
guess it would be about 80% of the money wagered is from people from the PRC, either directly or indirectly. When they look at the  
numbers they count all the people coming in from Hong Kong as Hong Kong SAR people, rather than PRC people. And a number of  
them, we know for a fact are individuals who are from Shanghai, Beijing and other parts of PRC. but have residences and businesses in  
Hong Kong.  
So real significant changes happening there. Obviously, those people as they come into Macau, especially new people who haven't been  
to the United States before, will be exposed. Right now, they're frankly exposed to this Venetian and to Webb.  
That's why we're looking forward to the opening because that puts us at a disadvantage very frankly and I suspect the business in both  
those entities here in Las Vegas happens to be derived from their introduction of the people they know in Macau. A lot of people coming  
in from the PRC also who probably aren't as interested in exposing the amount of wagers that they make as close to home as in Macau  
and might be more comfortable in a bit more anonymity here in Las Vegas. It's rather complex but rather simple at the same time.  
   
Jeff Vaughnston Bank of Montreal - Analyst  
And one follow on. Just the strength of the high-end business has gone on for a while. What are the dynamics around that? What are the  
things that you guys worry about relative to the high-end business?  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
Obviously, we want to see the PRC continue to grow at the rate they did last year at 10.7%. That's very effective for our business. If they  
fall into a recession, that would be something that would be a headache there and probably a hiccup at least here in Las Vegas. So,  
that's a factor. Obviously, the ability for those people to travel into the country, we have real problems in this country, as you probably  
know with visas.

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It's not the exit visas from PRC or other places, it's the entrance visas into the United States. And we've had a reduction in tourism to the  
United States. I think it's down 7% since 9/11.  
There's a human cry -- we're working with Congress in trying to reduce that. I mean, terrorists are something, but not all these people are  
terrorists. A small minority are. We have to deal with them and that's one of the few positive balance of trades we have is tourism. Our  
country's not effecting that very well.  
   
Jeff Vaughnston Bank of Montreal - Analyst  
Thank you.  
   
Operator  
Your next question comes from the line of Dennis Forst with KeyBanc.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
I wanted to get a few clarifications this morning. First of all, debt at the end of the year? Jim?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
It's in the -- it's on -- you have the balance sheet, don't you, Dennis?  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
If it's in the press release, I guess I didn't get that far. Yes. It's $12.994,869 billion. My eyes are bad. All right. Then moving on to other  
questions. Tower III, you said completes in April of this year?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
That is correct.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
So, John, what will the profits be in the, I guess, third and fourth quarter we're going to see most of those profits?  
   
John Redmond MGM Grand Resorts - CEO, President  
You're going to see them in Q2. And again, it's a little bit difficult to predict when you look at even what happened with our estimates for  
Q4 versus Q1. I think right now the early estimate is about $43 million in Q2. Again, it's really a function of how quickly you can close it.  
We are on track to complete that Tower in April and closings would start in May.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Didn't go through the rest of the year.  
   
John Redmond MGM Grand Resorts - CEO, President  
Correct. Substantially in Q2 and Q3 you see those closings.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
What would be the total, without having to break them out quarter by quarter, once that is completed about how big a profit is that  
going to be for you?  
   
John Redmond MGM Grand Resorts - CEO, President  
It's in that -- well, when you look at land and everywhere else, probably in the $85 million to $88 million range.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
A little more than Tower II?

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John Redmond MGM Grand Resorts - CEO, President  
Yes.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay, great. Next, Jim, on corporate expense, you gave a guidance in the first quarter $40 million to $45 million. Does that include the  
stock comp expense portion, which I think in the fourth quarter was around $7 million?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes, it does, Dennis. Okay. You're saying it's going to be somewhat lower than the third quarter -- I'm sorry, lower than the fourth.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
The first will be lower than the fourth.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
That's correct, Dennis.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay. Then there were a couple of line items in the quarter that I was a little confused about. Other income, or other expense was $8.2  
million. What was that?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
We had a write down of some assets and investments.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Investments. And then there was also another $5.5 million of corporate assets write down that was in a different line item?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes. That was in property transactions, I believe.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Yes. What was that?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
I'm trying to -- yes, Dan was saying just a bunch of stuff -- clean up. Nothing was a big number. $1 million was the biggest of it.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay. So, between the two, write downs and clean ups, it was almost $14 million?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
That's correct.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
And then lastly, for John again, I wanted to understand the Signature rooms that come -- the profits from the revenue on the sale of  
those rooms, not the sale, but the renting of those rooms on a daily basis. Is that just buried in the MGM Grand cash flows?  
   
John Redmond MGM Grand Resorts - CEO, President  
Yes. That's correct.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay. And when you talk about RevPAR at $147 in the fourth quarter, John, is that on the 5,000 MGM Grand rooms or 6,000 including  
the Signature rooms?

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John Redmond MGM Grand Resorts - CEO, President  
All the hotel information we provide, with respect to the Grand excludes the residential product.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Excludes that.  
   
John Redmond MGM Grand Resorts - CEO, President  
Correct.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Thousand plus rooms. Okay, great. Then in Jean, last question. Jean, there's 160 acres. Is that both sides of I-15?  
   
John Redmond MGM Grand Resorts - CEO, President  
It is, Dennis.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
So, that is the total encompassed land you own in Jean. And you're putting the whole thing into a joint venture with your two partners?  
   
John Redmond MGM Grand Resorts - CEO, President  
Correct.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
And you're going to close Nevada Landing and build a new hotel casino at some point as part of the new project?  
   
John Redmond MGM Grand Resorts - CEO, President  
Yes. With our partners, master plan the entire acreage which will include a hotel casino.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
My recollection is there's not much other private land in that area?  
   
John Redmond MGM Grand Resorts - CEO, President  
No. A lot of BLM land all around it. There is little bits and pieces, but it's a pretty strategic piece because of the fact it's privately owned.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay, great. Thanks a lot.  
   
John Redmond MGM Grand Resorts - CEO, President  
Thank you.  
   
Operator  
Your next question comes from the line of Bill Lerner with Deutsche Bank.  
   
William Lerner Deutsche Bank - Analyst  
Thanks. Can you guys -- I know Jimmy touched a bit on this. But can you talk more about these deals for example in the Middle East and  
China.  
Are they about geographical penetration and brand growth without a lot of capital investment? And is there something more strategic  
about these partners? In other words, are you developing relationships with what could be local partners in places where you might see  
some gaming expansion?

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John Redmond MGM Grand Resorts - CEO, President  
Maybe I'll touch it, since you asked me. But I'll turn it over to Terry, too, because it's a very important part of our business. There's a --  
there's no question that there's an opportunity to grow our business footprint in a variety of markets that don't currently include gaming.  
We have tremendous brands. We have this expertise that we referred to in development and in management.  
And we believe that there's a variety of opportunities ahead of us. One is to provide a stream of revenue and earnings to us. Two, to use  
our brands as marketing outposts throughout the globe. That would have, I think, a very beneficial impact on our existing resorts.  
For example, closer to home, let's take the MGM Grand in Connecticut, after talks with reservation. What that does to our existing  
properties I frankly don't know. I know it's good to have an MGM Grand in New England with that demographic. It would have a positive  
impact in terms of marketing exposure to our existing results, but that's part of the picture.  
The other part is to provide us with the revenue to development in nongaming ways and in gaming ways without a lot of asset intensity.  
We've been specific as to the kinds of partners we're looking for, and the ones that you referred to Mubadala, with the Emirate of Abu  
Dhabi and Diaoyutai are tremendous partners for us, because of their local expertise, because of their resources and because of the  
markets in which they are dominant.  
And those are the type of partners, and I don't think we're trying to say we're limiting ourselves to those partners. We're looking at a  
variety of opportunities similar to that. Anything more to add?  
   
Terrance Lanni MGM MIRAGE - Chairman, CEO  
I think you handled that very well.  
   
John Redmond MGM Grand Resorts - CEO, President  
Thank you.  
   
Operator  
Your next question come from the line of David Anders of Merrill Lynch.  
   
David Anders Merrill Lynch - Analyst  
Great. Just two quick ones. Could you -- I missed the slot growth on the strip. Did you provide that? I know John gave us a number, I  
think, for his properties, but strip wide?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
I think we had it in my comments. The slot gross was basically flat. Slots year-over-year were flat versus the fourth quarter of '05.  
   
David Anders Merrill Lynch - Analyst  
Jim, did you say $3 billion in Capex this year? Is that correct?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Yes. All in. That includes City Center you probably have in your model, which I think is like a $1.7 billion or so, $1.8 billion. That's a major  
component. Finishing up Detroit, which is a couple hundred million.  
Finish up Detroit which would be $2 million, or $3 million. And then the rest -- I broke it out between the rooms remodel and other  
projects.  
   
David Anders Merrill Lynch - Analyst  
All right. Thank you.

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Operator  
You have a follow-up question from the line of Larry Klatzkin with Jefferies.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
Hi, guys. Probably just one. I forgot to ask about Yonkers. What's the timing, what's going on with that?  
   
John Redmond MGM Grand Resorts - CEO, President  
I think you mean NYRA. What was NYRA?  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel, Secretary  
NYRA is an aqueduct. This is Gary Jacobs. No. What's happening with the change of administration in New York, there seems to be a  
recognition that it would be a good thing to have [inaudible] as an aqueduct and get the revenue generated for the state of New York.  
We're in active conversations with the state authorities and this project actually looks like it's moving and going to be moving relatively  
rapidly.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
How many slots do you plan to open up with, and any timing?  
   
Gary Jacobs MGM MIRAGE - EVP, General Counsel, Secretary  
I think the number is still about 4,5000. They're not slot machines. You've got to bear in mind these are video lottery terminals. There is a  
distinction of course, and timing will be really 12 months approximately from the time all of the legal work is concluded and negotiations  
are completed. Also bearing in mind there are further complications with NYRA being in a Chapter 11. So, it's not without its  
complications.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
All right. Then the second thing is what you guys see as new gaming opportunities outside the U.S., like, what's happening in your vision  
with UK and what you might be doing Japan, Thailand and such?  
   
John Redmond MGM Grand Resorts - CEO, President  
We're evaluating each of those. Thailand, I think,probably on hold because of the difficulty and change with the administration and  
prime minister talks and moving on.  
As far as the U.K., we're evaluating it. The Parliament hasn't even approved the recommendation. [inaudible] made it yet to her. I  
understand there's going to be probably an RFP process. May start as early as July, but probably not sooner than that.  
We're looking at Japan and we have our people on the ground there and we think that's an interesting marketplace. There are other parts  
of Asia that we're also focusing on. We know a lot of our competitors are listening on this. They're probably in the same spots anyway. We  
won't disclose those. But we're highly focussed in Asia. But there are unique other aspects in the world that may be of interest to us. We  
have to evaluate each one.  
   
Lawrence Klatzkin Jefferies & Co. - Analyst  
I guess Taiwan is one of them too. Thanks, guys.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Thank you, Larry. I guess we'll take one last call, Leslie, since I think we're running out of time.  
   
Operator  
Your next question comes from the line of Dennis Forst with KeyBanc.

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Dennis Forst KeyBanc Capital Markets - Analyst  
Yes, just one follow-up question. If I do the math right, 0% increase in overall slots. 6% increase at John's four properties. Some of the  
strip had to be downed in the quarter at the slot businesses. Is that right, and what's the -- what's going on with those?  
   
James Murren MGM MIRAGE - CFO, Treasurer  
Well, a couple things. One is we're running Player's Club through the overall enterprise, Dennis, as you know. So most of John's  
properties have been on Player's Club. We just put Excalibur on last week. So, as it relates to the fourth quarter, Player's Club certainly  
wasn't strip wide. It certainly won't be strip wide until the end of this year, as I think we've mentioned.  
So, one component of it is rolling out Player's Club. The second component is the remodeling projects.  
I'm thinking particularly of Monte Carlo, which his whole front door has been ripped off basically as we dramatically upgrade that as well  
as remodeling projects at the Mirage Resorts properties in general. That would be my $0.02 on that, Bob. Do you have anything  
additionally?  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
As it relates to some of the properties in the strip, Bellagio, New York-New York, just looking at the numbers in the fourth quarter there,  
pretty flat to last year.  
   
James Murren MGM MIRAGE - CFO, Treasurer  
And Dan just gave me an important data point. The year ago of course had the boardwalk in the slot numbers, so that's a big component  
of the year-over-year comparison.  
   
Dennis Forst KeyBanc Capital Markets - Analyst  
Okay, great, thanks.  
   
Robert Baldwin Mirage Resorts Inc. - CEO, President  
Thank you, guys. With that, then I want to thank you all for participating in the call. If you have any follow-up questions, please do not  
hesitate to call us. Thank you.  
   
Operator  
This concludes today's conference call. You may now disconnect.  
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