

MGM Resorts International And MGM Growth Properties LLC Announce Transactions To Acquire Borgata Hotel Casino & Spa

LAS VEGAS, May 31, 2016 [/PRNewswire/](#) -- MGM Resorts International (NYSE: MGM) and MGM Growth Properties LLC (NYSE: MGP) today announced that MGM Resorts has entered into a definitive agreement to acquire Boyd Gaming Corporation's ("Boyd Gaming") (NYSE:BYD) 50 percent interest in Borgata Hotel Casino & Spa ("Borgata") in Atlantic City, New Jersey for consideration of \$900 million. Further, MGM Resorts and MGP have entered into a definitive agreement whereby, following the completion of the acquisition of Boyd Gaming's interest, MGP will acquire Borgata's real property from MGM Resorts and lease back the real property to a subsidiary of MGM Resorts, after which a subsidiary of MGM Resorts will operate Borgata (together, the "Transactions").

MGM Resorts will pay approximately \$600 million for Boyd Gaming's 50 percent interest, subject to customary working capital adjustments, after consideration of Borgata's outstanding debt of approximately \$600 million, which MGM Resorts will assume and refinance. For the last twelve months ended March 31, 2016, Borgata reported \$812 million in net revenues and \$212 million in Adjusted EBITDA.

"Borgata is the premier resort in Atlantic City and a great addition to our growing presence in the Northeast," said Jim Murren, Chairman and CEO of MGM Resorts International. "While the market continues to experience challenges, Borgata has outperformed and differentiated itself as the undisputed leader in the city. Our decade-long partnership with Boyd Gaming has been a great one, and Borgata's talented employee base will complement and strengthen our more than 60,000-member worldwide MGM Resorts team. We are excited about the opportunity to bring our market-leading loyalty program, M life Rewards, to the resort and integrate our operations, to position Borgata for further growth."

Subsequent to the purchase of Boyd Gaming's 50 percent stake in Borgata, MGM Resorts and MGP have agreed that MGM Resorts will sell all of Borgata's real property to MGP for total consideration of approximately \$1.175 billion.

"We are excited to add Borgata to the MGP portfolio, further diversifying our geographic presence. With this transaction, we are executing on our core growth strategy in prudently building a portfolio of high-quality assets with market leading competitive positions," said James Stewart, CEO of MGM Growth Properties. "We expect the transaction to result in high single digit percentage accretion to AFFO per share, and pro forma net leverage will remain similar to our current levels."

MGP expects to fund the acquisition of the Borgata real property and the assumption of related debt with a combination of existing cash on hand, borrowings under its senior secured revolving credit facility, and the issuance of operating partnership units to a subsidiary of MGM Resorts, based upon MGP's closing price of \$23.03 as of May 27, 2016.

Borgata will be added to the existing Master Lease between MGM Resorts and MGP, and the initial rent payment to MGP will increase by \$100 million. Consistent with the Master Lease terms, 90 percent of this rent will be fixed and contractually grow at 2 percent per year until 2022.

"The Transactions provide numerous benefits to MGM Resorts and creates significant value for our shareholders," said Dan D'Arrigo, Executive Vice President and CFO of MGM Resorts International. "We expect MGM Resorts to remain net leverage-neutral, as we fully consolidate Borgata's cash flows into the MGM Resorts portfolio. Looking ahead, we believe the impact of the Transactions remain consistent with our focus on further deleveraging the balance sheet."

Concluded Mr. Murren, "We are pleased to demonstrate the ability for MGM Resorts and MGM Growth Properties to transact on an accretive basis to both parties and look forward to continue working collaboratively in the future."

The conflicts committee of the MGP Board of Directors engaged PJT Partners as its financial advisor to give an opinion on the fairness from a financial point of view to MGP of the total consideration paid in the transaction by MGP.

The Transactions are expected to close in the third quarter of 2016, subject to regulatory approvals and other customary closing conditions.

About MGM Resorts International

MGM Resorts International (NYSE: MGM) is one of the world's leading global hospitality companies, operating a portfolio of destination resort brands including Bellagio, MGM Grand, Mandalay Bay and The Mirage. The Company is in the process of developing MGM National Harbor in Maryland and MGM Springfield in Massachusetts. MGM Resorts controls, and holds a 73 percent economic interest in the operating partnership of MGM Growth Properties LLC (NYSE: MGP), a premier triple-net lease real estate investment trust engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts. The Company also owns 51 percent of MGM China Holdings Limited (HK: 2282), which owns the MGM Macau resort and casino and is developing a gaming resort in Cotai, and 50 percent of CityCenter in Las Vegas, which features ARIA Resort & Casino. MGM Resorts is named among FORTUNE[®] Magazine's 2016 list of World's Most Admired Companies[®]. For more information about MGM Resorts International, visit the Company's website at www.mgmresorts.com.

About MGM Growth Properties LLC

MGM Growth Properties LLC (NYSE:MGP) is one of the leading publicly traded real estate investment trusts engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose diverse amenities include casino gaming, hotel, convention, dining, entertainment and retail offerings. In connection with its initial public offering, MGP acquired from MGM Resorts nine premier destination resorts in Las Vegas and elsewhere across the United States and one dining and entertainment complex which opened in April 2016. As of December 31, 2015, these properties collectively comprise 24,466 hotel rooms, approximately 2.5 million convention square footage, over 100 retail outlets, over 200 food and beverage outlets and approximately 20 entertainment venues. As a growth-oriented public real estate entity, MGP expects its relationship with MGM Resorts to attractively position MGP for the acquisition of additional properties across the entertainment, hospitality and leisure industries that MGM Resorts may develop in the future.

Statements in this release that are not historical facts are "forward-looking" statements and "safe harbor statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and/or uncertainties, including those described in each of MGM Resorts' and MGP's public filings with the Securities and Exchange Commission. Management of MGM Resorts and MGP have based forward-looking statements on their current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, the closing of the Transactions and any expected benefits to be

realized as a result of the Transactions (including any expected accretion to AFFO per share). These forward-looking statements involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which the companies operate and competition with other destination travel locations throughout the United States and the world, the design, timing and costs of expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions, delays or impediments to completing planned acquisitions or projects, the ultimate timing and outcome of any planned acquisitions or projects, MGP's ability to maintain its status as a REIT and additional risks and uncertainties described in each of MGM Resorts' and MGP's periodic reports filed with the Securities and Exchange Commission (including all amendments to those reports). In providing forward-looking statements, neither company is undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If either company updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those other forward-looking statements.

SOURCE MGM Resorts International; MGM Growth Properties LLC

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