LANDandBUILDINGS

Land and Buildings Comments on MGM Resorts' Recent Performance

- MGM is many analysts' top pick with 40% upside to target price of $28.50 –

- Believes MGM shares are trading at a distressingly low level relative to gaming peers –

- Highlights multiple catalysts that should lead to substantial upside from current levels –

Stamford, CT (March 9, 2016) – Land and Buildings Investment Management, LLC ("Land and Buildings") today issued the following letter to the shareholders of MGM Resorts International (NYSE: MGM) ("MGM" or the "Company"):

Dear Fellow MGM Shareholders:

MGM is currently trading at 8x EBITDA, compared to its closest peers, Las Vegas Sands (NYSE: LVS) and Wynn Resorts (Nasdaq: WYNN), which are each trading at 12-13x EBITDA.[i] Related to this underperformance, in our view, is the Company's historical lack of credibility with shareholders due to a history of ill-advised capital expenditures which in turn led to an over leveraged balance sheet. Since our 2015 campaign at MGM (www.RestoreMGM.com), the Company has committed to reducing leverage and focusing on operating margins. If they are able to execute on these promises, MGM could experience a massive improvement in value. The tailwinds of strength in the Las Vegas market and the stabilization of Macau gaming revenues should lead to strong growth at MGM which would be well above the current market's expectations.

MGM is the top pick of many of gaming/lodging sell-side research analysts, with price targets in the range of $27-30 per share – or more than 40% above the current share price midpoint. While the sell-side is indeed bullish on MGM, we believe that analysts' targets could be even higher if management keeps to its promises of focusing on operations and repairing the balance sheet. The current estimates for 2016 RevPAR, EBITDA and the contribution from the Profit Growth Plan (PGP) are lower than management's guidance, demonstrating that MGM is still a "show me story" and gives little credit for deleveraging from asset sales and the REIT IPO.

To this point, fourth quarter results and the outlook for 2016 are unambiguously robust:

- RevPAR growth at the Company's Las Vegas hotels grew 12% in the fourth quarter, almost 3x the national average and 50% ahead of guidance
- 2016 RevPAR growth guidance for MGM's Las Vegas hotels is for "greater than 6%" based on business booked and trends, which is nearly double the rate of growth expected from the likes of hotel companies such as Marriott (NYSE: MAR), Hilton (NYSE: HLT) and Starwood (NYSE: HOT)
- MGM achieved nearly 50% of the Profit Growth Plan's $300 million incremental EBITDA target in the 4th quarter of 2015, improving operating margins well ahead of plan and expectations, and in part contributing to the 10% EBITDA beat from wholly owned assets; analysts' estimates reflect lower margins than the Company is on track to achieve as a result of the PGP
- MGM's close peer Caesars Entertainment (NYSE: CZR) undertook a similar plan to improve margins, achieving $350 million of incremental EBITDA in 2015, more than 25% ahead of the company's $250-$300 million guidance for calendar year 2015 given in November 2014; Caesars reported 42% EBITDA growth in 2015.[ii]

- Las Vegas casinos and hotels are benefitting from essentially zero new supply growth, including a lack of Airbnb exposure, and enjoying continued strong visitation growth from an increased number of inexpensive flights to Las Vegas
- The sale of Crystals Mall, which according to media reports is under contract to be sold for $1.1 billion, or a 25x EBITDA multiple, will deleverage the company and crystallize value
- The pending REIT IPO will deleverage the company and highlight the valuation disconnect of the shares, with Gaming and Leisure Properties (Nasdaq: GLPI) trading at 12x EBITDA for lower quality real estate than MGM owns, which trades at 8x overall

The sell-side analyst community continues to model only a fraction of the $300 million of the Profit Growth Plan benefit and short of the “greater than 6%” RevPAR growth that MGM management has outlined. Given the low hanging fruit of cost cutting opportunities and strong Las Vegas fundamentals, we believe there is meaningful upside to current consensus EBITDA estimates for 2016 and 2017. We will continue to watch the results of MGM very carefully to see if their actions back-up their words. If MGM management is able to eliminate its perpetual ‘credibility discount’ MGM could be permanently revalued at higher levels.

Sincerely,

Jonathan Litt

Founder & CIO

Land and Buildings Investment Management, LLC

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About Land and Buildings:

Land and Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land and Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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[i] Based on J.P. Morgan 2017 estimates as of February 29, 2016.
[ii] Based on Caesar’s enterprise-wide 2015 results.