

**Offer to Purchase for Cash  
Up to 15,000,000 Shares of Common Stock  
of  
MGM MIRAGE  
at  
\$55.00 Net Per Share  
by  
TRACINDA CORPORATION**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON THURSDAY, JANUARY 4, 2007, UNLESS THE OFFER IS EXTENDED.**

**THE OFFER IS NOT CONDITIONED UPON THE RECEIPT OF FINANCING OR UPON ANY  
MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS SUBJECT TO CERTAIN  
CONDITIONS. SEE SECTION 12 OF THIS OFFER TO PURCHASE, "CONDITIONS TO THE OFFER."**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES  
COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION OR PASSED UPON  
THE MERITS OR FAIRNESS OF SUCH TRANSACTION OR PASSED UPON THE ADEQUACY OR  
ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION  
TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**IMPORTANT**

Any stockholder desiring to tender all or any portion of that stockholder's shares should either (1) complete and sign the letter of transmittal, or a facsimile thereof, in accordance with the instructions to the letter of transmittal, have that stockholder's signature thereon guaranteed if instruction 1 to the letter of transmittal so requires, mail or deliver the letter of transmittal, or facsimile, or, in the case of a book-entry transfer effected by the procedure set forth in Section 2 of this Offer to Purchase, "Procedure for Tendering Shares," an agent's message (as defined therein), and any other required documents to the depositary and either deliver the certificates for those shares to the depositary along with the letter of transmittal, or facsimile, or deliver those shares in accordance with the procedure for book-entry transfer set forth in Section 2 of this Offer to Purchase, "Procedure for Tendering Shares," or (2) request that stockholder's bank, broker, dealer, trust company or other nominee effect the transaction for that stockholder. A stockholder having shares registered in the name of a bank, broker, dealer, trust company or other nominee must contact that person if that stockholder desires to tender those shares.

If a stockholder desires to tender shares and that stockholder's certificates for shares are not immediately available or the procedure for book-entry transfer cannot be completed on a timely basis, or time will not permit all required documents to reach the depositary prior to the expiration date (as defined herein), that stockholder's tender may be effected by following the procedure for guaranteed delivery set forth in Section 2 of this Offer to Purchase, "Procedure for Tendering Shares."

Questions and requests for assistance or for additional copies of this Offer to Purchase, the letter of transmittal and the notice of guaranteed delivery may be directed to D. F. King & Co., Inc., the information agent, at the address and telephone number on the back cover of this Offer to Purchase.

*The information agent for this offer is:*

**D. F. King & Co., Inc.**

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## SUMMARY TERM SHEET

Tracinda Corporation, a Nevada corporation wholly owned by Kirk Kerkorian, is offering to purchase up to a total of 15,000,000 shares of common stock, par value \$.01 per share, of MGM MIRAGE for \$55.00 per share in cash. Our offer is subject to the terms and conditions set forth in this offering document and in the related letter of transmittal. Tracinda Corporation is referred to as “Tracinda,” “we,” “our” or “us.” We refer to the shares of common stock of MGM MIRAGE as “shares.” The following summary highlights selected information from this offering document. We urge you to read the remainder of this offering document and the accompanying letter of transmittal carefully, because the information in the summary is not complete and the remainder of this offering document and the letter of transmittal contain additional important information.

### **Who is offering to buy my shares?**

Our name is Tracinda Corporation. Tracinda Corporation is a privately held Nevada corporation whose principal business is buying, selling and holding selected equity securities. Kirk Kerkorian is the sole shareholder of Tracinda Corporation and has served as its Chief Executive Officer, President and sole director for more than the past five years. See Section 9 of this Offer to Purchase, “Information Concerning the Purchaser and Its Affiliates.”

We presently own 158,392,864 shares, which represents approximately 55.8% of the outstanding shares. If we purchase 15,000,000 shares in our offer, our ownership will increase to approximately 61.1% of the outstanding shares.

### **What shares are you seeking in the offer?**

We are offering to purchase up to 15,000,000 shares. See “Introduction” and Section 1 of this Offer to Purchase, “Terms of the Offer; Proration.”

### **What happens if stockholders tender more than you are willing to buy?**

If stockholders tender more than the number of shares that we are willing to buy, we will purchase shares on a pro-rata basis. This means that we will purchase from you a number of shares calculated by multiplying the number of shares you properly tendered by a proration factor. The proration factor will equal 15,000,000 divided by the total number of shares properly tendered by all stockholders. For example, if 30,000,000 shares are tendered, we will purchase 50% of the number of shares that you tender. We will make adjustments to avoid purchases of fractional shares. For information about the terms of our offer, see Section 1 of this Offer to Purchase, “Terms of the Offer; Proration.”

### **If you prorate, when will I know how many shares will actually be purchased?**

If proration of tendered shares is required, we do not expect to announce the final results of proration or pay for any shares until at least five New York Stock Exchange trading days after the expiration date. This is because we will not know the precise number of shares properly tendered until all supporting documentation for those tenders are reviewed and guaranteed deliveries are made. Preliminary results of proration will be announced by press release as promptly as practicable. Holders of shares may obtain this preliminary information from the information agent at its telephone number set forth on the back cover of this offering document.

### **How much are you offering to pay, what is the form of payment and will I have to pay any fees or commissions?**

We are offering to pay you \$55.00 per share in cash. Any payment is subject to applicable withholding of United States federal, state and local taxes. If you are the record owner of your shares and you tender your shares

to us in our offer, you will not have to pay brokerage fees or similar expenses. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply. See “Introduction” and Section 1 of this Offer to Purchase, “Terms of the Offer; Proration.”

**Do you have the financial resources to make payment?**

Yes. Tracinda Corporation intends to fund its purchase of the 15,000,000 shares sought in the Offer from cash on hand. See Section 10 of this Offer to Purchase, “Source and Amount of Funds.”

**Is your financial condition relevant to my decision to tender in the offer?**

We do not think our financial condition is relevant to your decision whether to tender shares in our offer because:

- our offer is being made for up to 15,000,000 shares, solely for cash;
- our offer is not subject to any financing condition; and
- we have cash on hand in an amount that is more than sufficient to pay the purchase price for the 15,000,000 shares.

**Why are you making the offer?**

We are making our offer because we believe that the shares represent an attractive investment. We are acquiring the shares for investment purposes. Our offer demonstrates our confidence in MGM MIRAGE and our commitment to its future. See Section 11 of this Offer to Purchase, “Background and Purpose of the Offer; Plans for MGM MIRAGE.”

**How long do I have to decide whether to tender in the offer?**

You will have at least until 5:00 p.m., New York City time, on January 4, 2007, to decide whether to tender your shares in our offer. If you cannot deliver everything that we require in order to make a proper tender by that time, you may be able to use a guaranteed delivery procedure. The procedure is discussed in Sections 1 and 2 of this Offer to Purchase, “Terms of the Offer; Proration” and “Procedure for Tendering Shares—Guaranteed Delivery.”

**Can the offer be extended and under what circumstances?**

We may elect to extend our offer from time to time, at our discretion, for any reason. We will also extend our offer if the rules of the Securities and Exchange Commission require us to do so. See Section 1 of this Offer to Purchase, “Terms of the Offer; Proration.”

**How will I be notified if the offer is extended?**

If we extend our offer, we will make a public announcement of the extension. The announcement will be made no later than 9:00 a.m., New York City time, on the next business day after the day on which our offer was scheduled to expire. See Section 1 of this Offer to Purchase, “Terms of the Offer; Proration.”

**What are the most important conditions to the offer?**

We are not obligated to buy any shares in our offer if various events occur, including:

- any change or prospective change in the affairs of MGM MIRAGE that, in our reasonable judgment, has a materially adverse effect on MGM MIRAGE or us;

- the existence of litigation that adversely affects our offer or our ability to exercise ownership rights with respect to the shares;
- the existence of any law limiting our ability to consummate the offer;
- a general suspension of trading on any national securities exchange in the United States;
- any event that, in our reasonable judgment, would adversely affect the extension of credit by banks or other financial institutions;
- a 10% change in United States currency exchange rates; or
- the commencement or escalation of a war, armed hostilities or other similar national or international calamity directly or indirectly involving the United States.

Our offer is also subject to a number of other conditions. See Section 12 of this Offer to Purchase, “Conditions to the Offer.”

### **How do I tender my shares?**

To tender shares, you must deliver various documents to Mellon Investor Services LLC, the depositary for our offer, prior to the expiration of our offer. These documents include the certificates representing your shares and a completed letter of transmittal. If your shares are held through a bank, broker, dealer, trust company or other nominee, the shares can be tendered only by that bank, broker, dealer, trust company or other nominee. If you cannot deliver a required item to the depositary by the expiration of our offer, you may get a little extra time to do so by having a broker, bank or other fiduciary that is a member of the Securities Transfer Agents Medallion Program or another eligible institution guarantee that the depositary will receive the missing items within a period of three New York Stock Exchange trading days. The depositary must receive the missing items within that period for the tender to be valid. See Section 2 of this Offer to Purchase, “Procedure for Tendering Shares.”

### **Until what time can I withdraw previously tendered shares?**

You can withdraw shares at any time prior to the expiration date of our offer. See Sections 1 and 3 of this Offer to Purchase, “Terms of the Offer; Proration” and “Withdrawal Rights.”

### **How do I withdraw previously tendered shares?**

To withdraw shares, you must deliver a written notice of withdrawal with the required information to the depositary while you still have the right to withdraw the shares. If you have tendered your shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for the withdrawal of your shares. See Sections 1 and 3 of this Offer to Purchase, “Terms of the Offer; Proration” and “Withdrawal Rights.”

### **If I decide not to tender, how will the offer affect me?**

If you decide not to tender your shares, you will still own the same amount of shares, and MGM MIRAGE will still be a public company listed on the New York Stock Exchange. However, the purchase of shares in the offer will likely reduce the number of holders of shares and will reduce the number of shares that might otherwise trade publicly. This could adversely affect the liquidity and market value of the remaining shares the public holds. See Section 7 of this Offer to Purchase, “Effect of the Offer on the Market for the Shares.”

### **Do I have appraisal or dissenter’s rights?**

There are no appraisal or dissenter’s rights available in connection with our offer.

**What does the board of directors of MGM MIRAGE think of the offer?**

The MGM MIRAGE Board of Directors is required by law to communicate its views regarding the tender offer to MGM MIRAGE stockholders within ten business days from the date the offer is commenced.

**What is the market value of my shares as of a recent date?**

On November 21, 2006, the last trading day before we announced our intention to make our offer, the last sale price of the shares reported by the New York Stock Exchange was \$49.00 per share. On December 1, 2006 the last trading day before we commenced our offer, the last sale price of the shares was \$53.67 per share. We advise you to obtain a recent price quotation for shares in deciding whether to tender your shares. See Section 6 of this Offer to Purchase, "Price Range of the Shares; Dividends."

**What are the U.S. federal income tax consequences of tendering shares in the offer?**

Your receipt of cash for shares properly tendered in our offer will be a taxable transaction for U.S. federal income tax purposes. Generally, you will recognize gain or loss in an amount equal to the difference between the cash that you receive in our offer and your adjusted tax basis in the shares that you surrender in our offer. That gain or loss will be a capital gain or loss if the shares are capital assets in your hands and if you meet certain additional requirements. Any capital gain or loss will be long-term capital gain or loss if you have held the shares for more than one year at the time our offer is completed. The tax consequences of the Offer to you may vary depending on your particular circumstances. For a summary of the federal income tax consequences of our offer, see Section 5 of this Offer to Purchase, "U.S. Federal Income Tax Consequences." We recommend that you consult with your own tax advisor regarding the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction, to your particular situation.

**Who can I talk to if I have questions about the offer?**

You may call D. F. King & Co., Inc., which is acting as the information agent for our offer. Banks and brokers may call collect at (212) 269-5550. All others may call toll free at (800) 901-0068. See the back cover of this offering document.

To the Holders of Common Stock of MGM MIRAGE:

## INTRODUCTION

Tracinda Corporation, a Nevada corporation wholly owned by Kirk Kerkorian (“Purchaser,” and also referred to in this Offer to Purchase as “Tracinda,” “we,” “our” or “us”) hereby offers to purchase in the aggregate up to 15,000,000 of the outstanding shares of common stock, par value \$.01 per share (the “shares”), of MGM MIRAGE, a Delaware corporation (“MGM MIRAGE” or “the Company”), at a purchase price of \$55.00 per share, net to the seller in cash (subject to applicable withholding of United States federal, state and local taxes), without interest thereon, on the terms and subject to the conditions set forth in this Offer to Purchase and in the related letter of transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the “Offer”). In this Offer to Purchase, references to sections are to sections hereof unless otherwise indicated.

Tendering stockholders whose shares are registered in their own names and who tender directly to Mellon Investor Services LLC, the depository for the Offer, will not be obligated to pay brokerage fees or commissions or, except as set forth in instruction 6 to the letter of transmittal, stock transfer taxes on the purchase of shares by us under the Offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply. We will pay all fees and expenses of Mellon Investor Services LLC, which is acting as the depository for the Offer, and D. F. King & Co., Inc., which is acting as the information agent for the Offer, that are attributable to the Offer. See Section 14 of this Offer to Purchase, “Fees and Expenses.”

THE OFFER IS NOT CONDITIONED UPON THE RECEIPT OF FINANCING OR UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. OUR OBLIGATION TO ACCEPT, AND PAY FOR, SHARES VALIDLY TENDERED PURSUANT TO THE OFFER IS CONDITIONED UPON SATISFACTION OR WAIVER OF THE CONDITIONS SET FORTH IN SECTION 12 OF THIS OFFER TO PURCHASE, “CONDITIONS TO THE OFFER.”

The Offer has not been reviewed by the Board of Directors or management of MGM MIRAGE. The MGM MIRAGE Board of Directors is required by law to communicate its views regarding the Offer to the MGM MIRAGE stockholders within ten business days from the date the Offer is commenced.

MGM MIRAGE has informed us that, as of November 24, 2006, 283,963,196 shares were outstanding.

Section 5 of this Offer to Purchase, “U.S. Federal Income Tax Consequences,” describes various United States federal income tax consequences of a sale of shares under the Offer.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION THAT YOU SHOULD READ CAREFULLY BEFORE YOU MAKE ANY DECISION REGARDING THE OFFER.

## THE TENDER OFFER

### SECTION 1. TERMS OF THE OFFER; PRORATION

Upon the terms of and subject to the conditions to the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), we will purchase up to 15,000,000 shares in the aggregate that are validly tendered prior to the expiration date (as hereinafter defined) and not withdrawn in accordance with Section 3 of this Offer to Purchase, "Withdrawal Rights," at a price of \$55.00 per share, net to the seller in cash. The term "expiration date" means 5:00 p.m., New York City time, on January 4, 2007, unless and until we, in our sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "expiration date" will mean the latest time and date on which the Offer, as so extended by us, will expire. For purposes of this Offer, the term "business day" means any day other than Saturday, Sunday or any U.S. federal holiday consisting of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

If more than 15,000,000 shares are validly tendered prior to the expiration date, and not withdrawn, we will, upon the terms and subject to the conditions of the Offer, purchase 15,000,000 shares on a pro-rata basis (with adjustments to avoid purchases of fractional shares) based upon the number of shares validly tendered by the expiration date and not withdrawn (the "proration period"). If proration of tendered shares is required, because of the difficulty of determining the precise number of shares properly tendered and not withdrawn, we do not expect to announce the final results of proration or pay for any shares until at least five New York Stock Exchange (the "NYSE") trading days after the expiration date and proration period. Preliminary results of proration will be announced by press release as promptly as practicable. Holders of shares may obtain such preliminary information from the information agent at its telephone number on the back cover of this Offer to Purchase. All shares not accepted for payment due to an oversubscription will be returned to the stockholder or, in the case of tendered shares delivered by book-entry transfer, credited to the account at the book-entry transfer facility from which the transfer had previously been made, in each case, in accordance with the procedure described in Section 4 of this Offer to Purchase, "Acceptance for Payment and Payment."

We reserve the right to increase or decrease the number of shares we are seeking in the Offer, subject to applicable laws and regulations as described below.

Subject to the terms of the applicable rules and regulations of the Securities and Exchange Commission ("SEC"), we reserve the right, but will not be obligated at any time and from time to time, and regardless of whether or not any of the events or facts set forth in Section 12 of this Offer to Purchase, "Conditions to the Offer," shall have occurred, to:

- extend the Offer beyond the then scheduled expiration date, and thereby delay acceptance for payment of and payment for any shares, by giving oral or written notice of that extension to the depository; and
- amend the Offer in any other respect by giving oral or written notice of that amendment to the depository.

**UNDER NO CIRCUMSTANCES WILL WE PAY INTEREST ON THE PURCHASE PRICE FOR TENDERED SHARES, REGARDLESS OF ANY EXTENSION OF OR AMENDMENT TO THE OFFER OR ANY DELAY IN PAYING FOR SUCH SHARES.**

There can be no assurance that we will exercise our right to extend the Offer.

If by 5:00 p.m., New York City time, on Thursday, January 4, 2007 (or any date or time then set as the expiration date), any or all of the conditions to the Offer have or have not been satisfied or waived, we reserve the right (but shall not be obligated except as described in this Section 1), subject to the applicable rules and regulations of the SEC: (i) to terminate the Offer and not accept for payment or pay for any shares and return all tendered shares to tendering stockholders; (ii) to waive all the unsatisfied conditions and accept for payment and pay for all shares validly tendered prior to the expiration date and not theretofore withdrawn; (iii) to extend the

Offer and, subject to the right of stockholders to withdraw shares until the expiration date, retain the shares that have been tendered during the period or periods for which the Offer is extended; or (iv) to amend the Offer. There will not be any subsequent offering period.

Any extension, waiver, amendment or termination will be followed as promptly as practicable by public announcement thereof. In the case of an extension, Rule 14e-1(d) under the Securities Exchange Act of 1934 (the “Exchange Act”) requires that the announcement be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date in accordance with the public announcement requirements of Rule 14d-4(d) under the Exchange Act. Subject to applicable law (including Rules 14d-4(d) and 14d-6(c) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform stockholders of such change) and without limiting the manner in which we may choose to make any public announcement, we will not have any obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release.

If we extend the Offer, we are delayed in accepting for payment or paying for shares, or we are unable to accept for payment or pay for shares pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the depository may, on our behalf, retain all shares tendered. Such tendered shares may not be withdrawn except as provided in Section 3 of this Offer to Purchase, “Withdrawal Rights.” Our reservation of the right to delay acceptance for payment of or payment for shares is subject to applicable law, which requires that we pay the consideration offered or return the shares deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer.

If we make a material change in the Offer, or if we waive a material condition to the Offer, we will extend the Offer to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act. The minimum period during which the Offer must remain open following material changes in its terms or the information concerning it, other than a change in price or the percentage of securities sought, will depend on the facts and circumstances then existing, including the materiality of the changed terms or information.

If we decide, in our sole discretion, to increase or decrease the consideration offered in the Offer or to change the percentage of shares we are seeking in the Offer, and if, at the time that notice of any such changes is first published, sent or given to holders of shares, the Offer is scheduled to expire at any time earlier than the tenth business day after (and including) the date of such notice, then the Offer will be extended at least until the expiration of such period of ten business days. If, however, we increase the number of shares we are seeking under the Offer by not more than two percent of the outstanding shares, then pursuant to Rule 14e-1(b) under the Exchange Act, we would not be required to extend the expiration date of the Offer.

MGM MIRAGE has provided us with its stockholder lists and security position listings for the purpose of disseminating the Offer to holders of shares. We will mail this Offer to Purchase, the related letter of transmittal and other relevant materials to record holders of shares, and we will furnish those materials to banks, brokers, dealers, trusts companies and similar persons whose names, or the names of whose nominees, appear on MGM MIRAGE’s stockholders lists or, if applicable, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to beneficial owners of shares.

## **SECTION 2. PROCEDURE FOR TENDERING SHARES**

*Valid Tender.* For a stockholder to validly tender shares under the Offer (i) the depository must receive, at one of the addresses set forth on the back cover of this Offer to Purchase and prior to the expiration date of the Offer:

- a letter of transmittal, or a facsimile thereof, properly completed and duly executed, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent’s message (see “—Book-Entry Transfer” below), and any other required documents; and

- either certificates representing the tendered shares or, in the case of tendered shares delivered in accordance with the procedures for book-entry transfer we describe below, a book-entry confirmation of that delivery (see “—Book-Entry Transfer” below); or

(ii) the tendering stockholder must, before the expiration date of the Offer, comply with the guaranteed delivery procedures we describe below.

The valid tender of shares by you by one of the procedures described in this Section 2 will constitute a binding agreement between you and us on the terms of, and subject to the conditions to, the Offer.

*Book-Entry Transfer.* For purposes of the Offer, the depositary will establish an account for the shares at The Depository Trust Company (the “book-entry transfer facility”) within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the book-entry transfer facility’s system may make book-entry delivery of shares by causing the book-entry transfer facility to transfer those shares into the depositary’s account in accordance with the book-entry transfer facility’s procedures for that transfer. Although delivery of shares may be effected through book-entry transfer into the depositary’s account at the book-entry transfer facility, the letter of transmittal, or a facsimile thereof, properly completed and duly executed, with any required signature guarantees, or an agent’s message, and any other required documents must, in any case, be transmitted to, and received by, the depositary at one of the addresses set forth on the back cover of this Offer to Purchase prior to the expiration date, or the tendering stockholder must comply with the guaranteed delivery procedures we describe below.

The confirmation of a book-entry transfer of shares into the depositary’s account at the book-entry transfer facility as we describe above is referred to herein as a “book-entry confirmation.” DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE BOOK-ENTRY TRANSFER FACILITY’S PROCEDURES WILL NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

The term “agent’s message” means a message transmitted by the book-entry transfer facility to, and received by, the depositary and forming a part of a book-entry confirmation, stating that the book-entry transfer facility has received an express acknowledgment from the participant tendering shares through the book-entry transfer facility that the participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce that agreement against that participant.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF YOU PLAN TO MAKE DELIVERY BY MAIL, WE RECOMMEND THAT YOU DELIVER BY REGISTERED MAIL WITH RETURN RECEIPT REQUESTED AND OBTAIN PROPER INSURANCE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

*Signature Guarantees.* No signature guarantee will be required on a letter of transmittal for shares tendered thereby if:

- the “registered holder(s)” of those shares signs that letter of transmittal and has not completed either the box entitled “Special Delivery Instructions” or the box entitled “Special Payment Instructions” on that letter of transmittal; or
- those shares are tendered for the account of an “eligible institution.”

For purposes hereof, a “registered holder” of tendered shares will include any participant in the book-entry transfer facility’s system whose name appears on a security position listing as the owner of those shares, and an

“eligible institution” is a “financial institution,” which term includes most commercial banks, savings and loan associations and brokerage houses, that is a participant in any of the following: (i) the Securities Transfer Agents Medallion Program; (ii) the New York Stock Exchange, Inc. Medallion Signature Program; or (iii) the Stock Exchange Medallion Program.

Except as we describe above, all signatures on any letter of transmittal for shares tendered thereby must be guaranteed by an eligible institution. See instructions 1 and 5 to the letter of transmittal. If the certificates for shares are registered in the name of a person other than the signer of the letter of transmittal, or if payment is to be made or certificates for shares not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as aforesaid. See instructions 1 and 5 to the letter of transmittal.

*Guaranteed Delivery.* If you wish to tender shares under the Offer and your certificates for shares are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the depository prior to the expiration date, your tender may be effected if all the following conditions are met:

- your tender is made by or through an eligible institution;
- a properly completed and duly executed notice of guaranteed delivery, substantially in the form we provide, is received by the depository, as provided below, prior to the expiration date of the Offer; and
- the depository receives, at one of the addresses set forth on the back cover of this Offer to Purchase and within the period of three trading days after the date of execution of that notice of guaranteed delivery, either: (i) the certificates representing the shares being tendered together with (1) a letter of transmittal, or a facsimile thereof, relating thereto which has been properly completed and duly executed and includes all signature guarantees required thereon, and (2) all other required documents; or (ii) in the case of any book-entry transfer of the shares being tendered which is effected in accordance with the book-entry transfer procedures we describe above under “—Book-Entry Transfer” within the same three-trading day period (1) either a letter of transmittal, or a facsimile thereof, relating thereto which has been properly completed and duly executed and includes all signature guarantees required thereon or an agent’s message, (2) a book-entry confirmation relating to that transfer, and (3) all other required documents.

For these purposes, a “trading day” is any day on which the NYSE is open for business.

A notice of guaranteed delivery must be delivered to the depository by hand, facsimile transmission or mail and must include a guarantee by an eligible institution in the form set forth in the notice of guaranteed delivery that is to be delivered to the depository.

*Other Requirements.* Notwithstanding any other provision hereof, payment for shares accepted for payment under the Offer will in all cases be made only after timely receipt by the depository of:

- certificates representing, or a timely book-entry confirmation respecting, those shares;
- a letter of transmittal, or a facsimile thereof, properly completed and duly executed, with any required signature guarantees thereon, or, in the case of a book-entry transfer, an agent’s message in lieu of a letter of transmittal; and
- any other documents the letter of transmittal requires.

Accordingly, tendering stockholders may be paid at different times depending on when certificates representing, or book-entry confirmations respecting, their shares are actually received by the depository.

UNDER NO CIRCUMSTANCES WILL WE PAY INTEREST ON THE PURCHASE PRICE OF THE SHARES WE PURCHASE IN THE OFFER, REGARDLESS OF ANY EXTENSION OF OR AMENDMENT TO THE OFFER OR ANY DELAY IN MAKING THAT PAYMENT.

*Appointment.* By executing a letter of transmittal, or a facsimile thereof, or, in the case of a book-entry transfer, by delivery of an agent's message in lieu of a letter of transmittal, you will irrevocably appoint our designees as your attorneys-in-fact and proxies in the manner the letter of transmittal sets forth, each with full power of substitution, to the full extent of your rights with respect to the shares tendered by you and accepted for payment by us and with respect to any and all other shares and other securities or rights issued or issuable in respect of such shares on or after the date of this Offer to Purchase. All these proxies will be considered coupled with an interest in the tendered shares and additional securities attributable thereto. This appointment will be effective when, and only to the extent that, we accept for payment shares tendered by you as provided herein. On that appointment, all prior powers of attorney, proxies and consents you have given with respect to the shares tendered by you and accepted for payment by us and all additional securities attributable thereto will, without further action, be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given by you or on your behalf (and, if given, will not be effective). Our designees will thereby be empowered to exercise all your voting and other rights with respect to those shares and additional securities attributable thereto in respect of any annual, special or adjourned meeting of MGM MIRAGE's stockholders, actions by written consent without any such meeting or otherwise, as our designees in their sole discretion deem proper. We reserve the right to require that, in order for shares to be deemed validly tendered, we must be able, immediately on our acceptance for payment of those shares, to exercise full voting, consent and other rights with respect to those shares and the additional securities attributable thereto, including voting at any meeting of stockholders or acting by written consent without such a meeting. MGM MIRAGE's annual meeting of stockholders is scheduled to take place prior to the expiration of the Offer. Accordingly, the foregoing proxy will not affect any proxies granted by stockholders for such meeting.

*Tendering Stockholder's Representation and Warranty; Tracinda's Acceptance Constitutes an Agreement.* It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others, directly or indirectly, to tender shares for such person's own account unless at the time of tender and at the expiration date such person has a "net long position" in (a) the shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such shares for the purpose of tendering to us within the period specified in the Offer or (b) other securities immediately convertible into, exercisable for or exchangeable into shares ("Equivalent Securities") that is equal to or greater than the amount tendered and, upon the acceptance of such tender, will acquire such shares by conversion, exchange or exercise of such Equivalent Securities to the extent required by the terms of the Offer and will deliver or cause to be delivered such shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's representation and warranty to us that (a) such stockholder has a "net long position" in shares or Equivalent Securities being tendered within the meaning of Rule 14e-4, and (b) such tender of shares complies with Rule 14e-4. Our acceptance for payment of shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer.

*Determination of Validity.* We will decide, in our reasonable discretion, all questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares, and each such decision will be final and binding. We reserve the absolute right to reject any or all tenders we determine not to be in proper form or the acceptance for payment of, or payment for, shares which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any defect or irregularity in the tender of any shares of any particular stockholder whether or not we waive similar defects or irregularities in the case of other stockholders. No tender of shares will be deemed to have been validly made until all defects or irregularities relating thereto have been cured or waived. None of us, the depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for

failure to give any such notification. Our interpretation of the terms of and conditions to the Offer, including the letter of transmittal and the instructions thereto, will be final and binding. By tendering shares to us you agree to accept all decisions we make concerning these matters and waive any right you might otherwise have to challenge those decisions.

*Backup U.S. Federal Income Tax Withholding.* Under the U.S. federal income tax laws, payments in connection with the transaction may be subject to “backup withholding” at a rate of 28%, unless a stockholder that holds shares:

- provides a correct taxpayer identification number (which, for an individual stockholder, is the stockholder’s social security number) and any other required information; or
- is a corporation or other exempt payee and, when required, demonstrates this fact and otherwise complies with the applicable requirements of the backup withholding rules.

A stockholder that does not provide a correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. To prevent backup U.S. federal income tax withholding with respect to cash payable under the Offer, a stockholder should provide the depositary with his or her correct taxpayer identification number and certify that he or she is not subject to or is exempt from backup U.S. federal income tax withholding by completing the Substitute Internal Revenue Service Form W-9 included in the letter of transmittal. Noncorporate foreign stockholders should complete and sign the appropriate Internal Revenue Service Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the depositary, in order to avoid backup withholding. See instruction 9 to the letter of transmittal. Backup withholding is not an additional tax. Any amount withheld from a payment to you under the backup withholding rules is allowable as a refund or credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service. You should consult your tax advisor regarding qualifications for exemption from backup withholding and the procedure for obtaining such an exemption.

*Lost Certificates.* If the share certificates which a registered holder wants to surrender have been lost, destroyed or stolen, the stockholder should promptly notify MGM MIRAGE’s transfer agent, Mellon Investor Services LLC at the toll-free number (800) 358-2066. The transfer agent will instruct the stockholder as to the steps that must be taken in order to replace the certificates.

**WE WILL DECIDE, IN OUR REASONABLE DISCRETION, ALL QUESTIONS AS TO THE VALIDITY, FORM, ELIGIBILITY (INCLUDING TIME OF RECEIPT) AND ACCEPTANCE FOR PAYMENT OF ANY TENDER OF SHARES, AND EACH SUCH DECISION WILL BE FINAL AND BINDING ON ALL PARTIES.**

### **SECTION 3. WITHDRAWAL RIGHTS**

Except as this Section 3 otherwise provides, tenders of shares are irrevocable. You may withdraw shares that you have previously tendered under the Offer according to the procedures we describe below at any time prior to the expiration date and you may also withdraw your previously tendered shares at any time after February 2, 2007, unless such shares have been accepted for payment as provided in the Offer.

For a withdrawal to be effective, a written notice of withdrawal must:

- be received in a timely manner by the depositary at one of its addresses set forth on the back cover of this Offer to Purchase; and
- specify the name of the person having tendered the shares to be withdrawn, the number of shares to be withdrawn and the name of the registered holder of the shares to be withdrawn, if different from the name of the person who tendered the shares.

If certificates for shares have been delivered or otherwise identified to the depositary, then, prior to the physical release of those certificates, the serial numbers shown on those certificates must be submitted to the

depository and, unless an eligible institution has tendered those shares, an eligible institution must guarantee the signatures on the notice of withdrawal.

If shares have been delivered in accordance with the procedures for book-entry transfer described in Section 2 of this Offer to Purchase, "Procedure for Tendering Shares," any notice of withdrawal must also specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the book-entry transfer facility's procedures.

Withdrawals of tenders of shares may not be rescinded, and any shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Withdrawn shares may be retendered at any time prior to the expiration date by again following one of the procedures described in Section 2 of this Offer to Purchase, "Procedure for Tendering Shares."

We will decide, in our sole discretion, all questions as to the form and validity, including time of receipt, of notices of withdrawal, and each such decision will be final and binding. We also reserve the absolute right to waive any defect or irregularity in the withdrawal of shares by any stockholder, whether or not we waive similar defects or irregularities in the case of any other stockholder. None of us, the depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

#### **SECTION 4. ACCEPTANCE FOR PAYMENT AND PAYMENT**

On the terms of and subject to the conditions to the Offer, including, if we extend or amend the Offer, the terms and conditions of any such extension or amendment, we will accept for payment and will pay promptly after the expiration date for all shares validly tendered prior to the expiration date and not properly withdrawn in accordance with Section 3 of this Offer to Purchase, "Withdrawal Rights," up to a maximum of 15,000,000 shares. We will decide, in our reasonable discretion, all questions as to the satisfaction of those terms and conditions, and each such decision will be final and binding. See Sections 1 and 12 of this Offer to Purchase, "Terms of the Offer; Proration" and "Conditions to the Offer." We expressly reserve the right, in our sole discretion, to delay acceptance for payment of or payment for shares until satisfaction of all conditions to the Offer relating to governmental or regulatory approvals. We will effect any such delays in compliance with Exchange Act Rule 14e-1(c), which relates to the obligation of a bidder to pay for or return tendered securities promptly after the termination or withdrawal of its offer.

In all cases, we will pay for shares we have accepted for payment under the Offer only after timely receipt by the depository of:

- certificates representing, or a timely book-entry confirmation respecting, those shares;
- a letter of transmittal, or a facsimile thereof, properly completed and executed with any required signatures thereon or, in the case of a book-entry transfer, an agent's message; and
- any other documents the letter of transmittal requires.

Accordingly, tendering stockholders may be paid at different times depending on when certificates for shares or book-entry confirmations respecting shares are actually received by the depository.

For purposes of the Offer, we will be deemed to have accepted for payment, and thereby purchased, shares properly tendered to us and not withdrawn, if and when we give oral or written notice to the depository of our acceptance for payment of those shares. On the terms of and subject to the conditions to the Offer, we will pay for shares we have accepted for payment under the Offer by depositing the purchase price therefor with the depository. The depository will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to tendering stockholders whose shares we have accepted for payment.

**UNDER NO CIRCUMSTANCES WILL WE PAY INTEREST ON THE PURCHASE PRICE FOR TENDERED SHARES, REGARDLESS OF ANY EXTENSION OF OR AMENDMENT TO THE OFFER OR**

ANY DELAY IN PAYING FOR THOSE SHARES. If we are delayed in our acceptance for payment of, or payment for, shares or we are unable to accept for payment, or pay for, shares under the Offer for any reason, then, without prejudice to our rights under the Offer, but subject to our compliance with Exchange Act Rule 14e-1(c), the depositary nevertheless may retain tendered shares on our behalf and those shares may not be withdrawn except to the extent tendering stockholders are entitled to exercise, and duly exercise, the withdrawal rights described in Section 3 of this Offer to Purchase, “Withdrawal Rights.”

If we do not purchase any tendered shares under the Offer for any reason, then, as promptly as practicable following the expiration or termination of the Offer and at no expense to tendering stockholders:

- the depositary will return certificates it has received respecting tendered shares to the person who delivered those certificates to the depositary; and
- in the case of tendered shares delivered by book-entry transfer into the depositary’s account at the book-entry transfer facility in accordance with the procedures described in Section 2 of this Offer to Purchase, “Procedure for Tendering Shares,” those shares will be credited to the account at the book-entry transfer facility from which that transfer had been previously made.

## **SECTION 5. U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following summary is a description of certain United States federal income tax consequences relating to the participation by a MGM MIRAGE stockholder in the Offer. **If you are considering participating in the Offer, you should consult your own tax advisor regarding the application of United States federal income tax laws, as well as the application of any state, local or foreign tax laws, to your particular situation.**

*Taxable Transaction.* Your receipt of cash for shares in our transaction will be a taxable transaction for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), and also may be a taxable transaction under applicable state, local or foreign income or other tax laws.

Generally, for U.S. federal income tax purposes, you will recognize gain or loss equal to the difference between the amount of cash you receive in the Offer and your adjusted tax basis in the shares for which you received that cash. Gain or loss will be calculated separately for each block of shares tendered and purchased under the Offer.

If you hold shares as capital assets, the gain or loss you recognize will be capital gain or loss, which will be long-term capital gain or loss if your holding period for the shares exceeds one year. If you are an individual, long-term capital gains will be subject to a maximum federal income tax rate of 15% (5% for individuals in the 10% or 15% tax bracket). Under present law, the ability to use capital losses to offset ordinary income is limited. You should consult your tax advisor in this regard.

The foregoing discussion may not be applicable with respect to (1) shares received on the exercise of employee stock options or otherwise as compensation or (2) holders of shares who are subject to special tax treatment under the Code, such as non-U.S. persons, life insurance companies, tax-exempt organizations, employee benefit plans and financial institutions. In addition, the foregoing discussion may not apply to a holder of shares in light of such holder’s individual circumstances, such as holding shares as a dealer in securities or foreign currency or as a hedge or as part of a straddle or a hedging, constructive sale, integrated or other risk-reduction transaction. We base this discussion on present law, which is subject to change, possibly with retroactive effect, and any such change could affect the continuing validity of this discussion. This discussion does not address the effect of any applicable state, local or foreign tax laws.

**THE SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES SET FORTH ABOVE IS BASED ON THE LAW IN EFFECT ON THE DATE HEREOF. WE URGE YOU TO CONSULT YOUR TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES OF THE OFFER TO YOU, INCLUDING THE APPLICATION AND EFFECT OF THE ALTERNATIVE MINIMUM TAX AND OF ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF ANY CHANGES IN U.S. FEDERAL OR OTHER APPLICABLE TAX LAWS.**

*Backup Withholding.* In general, some stockholders may be subject to backup withholding at a 28% rate on cash payments they receive under the Offer unless certain information is provided to the depository or an exemption applies. See Section 2 of this Offer to Purchase, "Procedure for Tendering Shares."

## SECTION 6. PRICE RANGE OF THE SHARES; DIVIDENDS

The shares are traded on the NYSE under the trading symbol "MGM." The following table sets forth the high and low per share sale prices as reported on the NYSE based on published financial sources, as adjusted for a 2-for-1 stock split in May 2005.

		2006 Quarters			
		1st	2nd	3rd	4th (through December 1, 2006)
Price range of the shares	High .....	\$43.43	\$46.15	\$40.92	\$54.99
	Low .....	\$35.26	\$38.14	\$34.20	\$39.82
		2005 Quarters			
		1st	2nd	3rd	4th
Price range of the shares	High .....	\$39.80	\$42.98	\$46.75	\$44.75
	Low .....	\$34.50	\$32.58	\$39.30	\$35.30
		2004 Quarters			
		1st	2nd	3rd	4th
Price range of the shares	High .....	\$23.09	\$24.89	\$25.07	\$36.75
	Low .....	\$18.36	\$20.50	\$19.81	\$24.58

On November 21, 2006, which was the last full trading day before our intention to make the Offer was announced, the last reported sales price of the shares reported by the NYSE was \$49.00. On December 1, 2006, which was the last full trading day before commencement of the Offer, the last reported sales price of the shares reported by the NYSE was \$53.67 per share. **We urge stockholders to obtain a current market price for the shares.**

*Dividends.* According to MGM MIRAGE's periodic reports filed with the SEC under the Exchange Act, MGM MIRAGE has not paid dividends on its shares since the first quarter of 2000, and it intends to retain its earnings, among other things, to fund the operation of its business, to service and repay its debt and to make strategic investments.

## SECTION 7. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES

Following consummation of the Offer we will own approximately 61.1% of the outstanding shares. Our purchase of the shares under the Offer will likely reduce the number of holders of shares and will reduce the number of shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining shares the public holds.

The shares are currently registered under the Exchange Act. Such registration may be terminated pursuant to Section 12(g)(4) of the Exchange Act upon application of MGM MIRAGE to the SEC if the shares are not listed on a national securities exchange or quoted on the Nasdaq Stock Market and there are fewer than 300 record holders of the shares. In addition, the continued listing of the shares on the NYSE is subject to compliance with the listing requirements of the NYSE.

We do not have any present intention to make additional purchases of shares of MGM MIRAGE. There will continue to be at least approximately 110,570,000 publicly traded shares outstanding following completion of the Offer, and we do not believe that the Offer will cause the shares to be held by fewer than 300 record holders or will adversely affect the continued listing of the shares on the NYSE.

## **SECTION 8. INFORMATION CONCERNING MGM MIRAGE**

*General.* MGM MIRAGE is a Delaware corporation. Its executive offices are located at 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109 and its telephone number at that address is (702) 693-7120.

*Available Information.* MGM MIRAGE is subject to the informational requirements of the Exchange Act and, in accordance therewith, is required to file reports relating to its business, financial condition and other matters. MGM MIRAGE must disclose in its proxy statements distributed to MGM MIRAGE stockholders and filed with the SEC information as of particular dates concerning its directors and officers, their remuneration, stock options and other matters, the principal holders of its securities and any material interest of those persons in transactions with MGM MIRAGE. That information is available for inspection at the public reference facilities of the SEC at 450 Fifth Street, N.W., Washington, DC 20549. You can obtain copies of that information by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal office at 450 Fifth Street, N.W., Washington, DC 20549. The SEC also maintains a web site that contains reports, proxy statements and other information regarding registrants that file electronically with it. You can find those reports, proxy statements and other information on the SEC's web site, <http://www.sec.gov>.

Except as otherwise stated herein, the information concerning MGM MIRAGE contained herein has been taken from or based on publicly available documents on file with the SEC and other publicly available information. Although we do not have any knowledge that any such information is untrue, we take no responsibility for the accuracy or completeness of that information or for any failure by MGM MIRAGE to disclose events that may have occurred and may affect the significance or accuracy of any such information but that are unknown to us.

## **SECTION 9. INFORMATION CONCERNING THE PURCHASER AND ITS AFFILIATES**

*General.* Tracinda is a privately held Nevada corporation wholly owned by Mr. Kerkorian. Tracinda's principal business is buying, selling and holding selected equity securities.

Mr. Kerkorian has been a director of MGM MIRAGE since 1987. Mr. Kerkorian has served as Chief Executive Officer, President and sole director and shareholder of Tracinda for more than the past five years. Mr. Kerkorian currently beneficially owns, through Tracinda, 158,392,864 shares or approximately 55.8% of the outstanding shares.

Tracinda's other executive officer is Anthony L. Mandekic, who serves as Secretary and Treasurer. Mr. Mandekic's principal occupation or employment is, and has been for more than five years, serving as Secretary and Treasurer of Tracinda. Mr. Mandekic has served as a director of MGM MIRAGE since May 2006.

Mr. Kerkorian and Mr. Mandekic are both United States citizens.

The principal office of Tracinda, Mr. Kerkorian and Mr. Mandekic is located at 150 South Rodeo Drive, Suite 250, Beverly Hills, California, 90212, (310) 271-0638. As a result of his ownership of Tracinda, Mr. Kerkorian beneficially owns the 158,392,864 shares held by Tracinda. Mr. Mandekic beneficially owns 2,000 MGM MIRAGE shares, less than 1% of the outstanding shares. Neither Tracinda, Mr. Kerkorian nor Mr. Mandekic has engaged in any transaction in MGM MIRAGE shares in the last 60 days.

The number of shares beneficially owned by Tracinda, Mr. Kerkorian and Mr. Mandekic and the percentage of outstanding shares represented thereby have been computed in accordance with Rule 13d-3 under the Exchange Act.

## **SECTION 10. SOURCE AND AMOUNT OF FUNDS**

If we purchase 15,000,000 shares pursuant to the Offer at \$55.00 per share, our aggregate cost will be \$825,000,000, not including fees and expenses which are estimated to be approximately \$2,000,000. See Introduction and Section 1 of this Offer to Purchase, "Terms of the Offer; Proration." We will fund our purchase of the 15,000,000 shares sought in the Offer from cash on hand. The Offer is not conditioned on any financing arrangements.

## **SECTION 11. BACKGROUND AND PURPOSE OF THE OFFER; PLANS FOR MGM MIRAGE**

As controlling stockholder of MGM MIRAGE, we have historically demonstrated our confidence in, and commitment to, MGM MIRAGE's future through our investments in MGM MIRAGE. Beginning in the earliest stages of growth, we have supported the Company in its endeavors to reach its previously stated goals to become the world's largest gaming company and to have the world's finest collection of casino resorts.

In the ordinary course of our business, we from time to time review the performance of our investments and consider possible strategies for enhancing value. As part of our ongoing review of our investment in the shares, we explore, from time to time, the possibilities of acquiring or disposing of additional shares. Any determination with respect to the acquisition or disposition of additional shares depends upon a variety of factors, including, without limitation, current and anticipated future trading prices for the shares, the financial condition, results of operations and prospects of MGM MIRAGE, tax considerations and general economic, financial market and industry conditions. In addition, as described above, in the past we have supported MGM MIRAGE's efforts to raise equity financing, including participating in rights offerings by MGM MIRAGE. Subject to the foregoing investment considerations, we may from time to time consider acquisitions of additional shares of MGM MIRAGE. However, we do not have any present intention to make additional purchases of shares of MGM MIRAGE.

We believe that the shares represent an attractive investment. This Offer demonstrates our continuing confidence and commitment to MGM MIRAGE's future. In addition, the Offer provides an opportunity to existing stockholders of MGM MIRAGE to sell a portion of their shares at a premium over recent trading prices. The offering price represents a premium of 12.2% over the closing price of the shares on November 21, 2006 (the last trading day before we announced our intention to make the Offer) and a premium of 2.5% over the closing sale price of the shares on December 1, 2006 (the last trading day prior to the commencement of the Offer.)

MGM MIRAGE has stated in its most recent Annual Report on Form 10-K that it regularly evaluates possible expansion and acquisition opportunities in both the domestic and international markets, which may include the ownership, management and operation of gaming and other entertainment facilities in Nevada or in states other than Nevada or outside of the United States. MGM MIRAGE has indicated that it may undertake these opportunities either alone or in cooperation with one or more third parties. In the event that MGM MIRAGE should engage in any expansion or acquisition opportunity subsequent to the consummation of the Offer, and such opportunity results in a substantial increase in the value of the shares, the holders of shares purchased by us pursuant to this Offer will have lost the opportunity to realize the benefit of such a transaction with respect to such shares.

Similarly, other factors, such as favorable future developments at MGM MIRAGE, an increase in the stock trading prices of the gaming market sector or general market or economic conditions, could cause a substantial increase in the future price of the shares such that holders of shares purchased by us pursuant to the Offer will not participate in such share value increases with respect to such shares.

We beneficially own approximately 55.8% of the outstanding shares and have the power to elect the entire Board of Directors of MGM MIRAGE and to influence MGM MIRAGE's affairs. The shares do not have cumulative voting rights, and, as long as we continue to own greater than 50% of the outstanding shares, we will continue to have the ability to elect the entire Board of Directors of MGM MIRAGE and to determine the outcome of other matters submitted to MGM MIRAGE stockholders, such as the approval of significant transactions and otherwise to influence MGM MIRAGE's affairs. The consummation of the Offer, which would

increase our ownership of the outstanding shares up to approximately 61.1%, will not affect our ability to exercise voting control with respect to the election of directors of MGM MIRAGE or other matters submitted to MGM MIRAGE stockholders, or to otherwise influence MGM MIRAGE's affairs.

## **SECTION 12. CONDITIONS TO THE OFFER**

Notwithstanding any other term of the Offer, we shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Exchange Act Rule 14e-1(c) (which relates to our obligation to pay for or return tendered shares promptly after the termination or withdrawal of the Offer), to pay for, and may postpone the acceptance for payment of and payment for, shares tendered, and we may amend the Offer or terminate the Offer and not accept for payment any tendered shares if at any time prior to the expiration of the Offer any of the following events shall occur:

(a) there shall have occurred (i) any general suspension of, or general limitation on prices for, or trading in, securities on any national securities exchange in the United States or in the over-the-counter market, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation (whether or not mandatory) by any governmental agency or authority on, or any other event that, in our reasonable judgment, would adversely affect, the extension of credit by banks or other financial institutions, (iii) a 10% change in United States or any other currency exchange rates or a suspension of or limitation on the markets therefor, (iv) the commencement or escalation of a war, armed hostilities or other similar national or international calamity directly or indirectly involving the United States, (v) a 10% decrease in the market price for the shares or in the general level of market prices for equity securities in the United States, or (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, in our reasonable judgment, a material acceleration or worsening thereof;

(b) any change (or condition, event or development involving a prospective change) shall have occurred or been threatened in the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses, results of operations or prospects of MGM MIRAGE or any of its subsidiaries or affiliates that, in our reasonable judgment, has a materially adverse effect on MGM MIRAGE or us or any of our or MGM MIRAGE's subsidiaries or affiliates, or we shall have become aware of any fact that, in our reasonable judgment, will have a material adverse effect on the value of the shares;

(c) legislation amending the Code has been passed by either the U.S. House of Representatives or the Senate or becomes pending before the U.S. House of Representatives or the Senate or any committee thereof, the effect of which, in our reasonable judgment, would be to change the tax consequences of the transaction contemplated by the Offer in any manner that would materially adversely affect us or any of our affiliates;

(d) there shall be threatened, instituted, or pending any action, proceeding, application or counterclaim by any person unrelated to Tracinda or by or before any court or governmental, administrative or regulatory agency or authority, domestic or foreign, or any other person or tribunal, domestic or foreign, which (i) challenges or seeks to challenge, restrain or prohibit the making of the Offer, the acquisition by us of the shares, or any other matter directly or indirectly relating to the Offer, or seeks to obtain any material damages or otherwise directly or indirectly relating to the transactions contemplated by the Offer, (ii) seeks to make the purchase of, or payment for, some or all of the shares pursuant to the Offer illegal or results in a delay in our ability to accept for payment or pay for some or all of the shares, (iii) seeks to impose limitations on our ability (or any affiliate of ours) to acquire or hold or to exercise full rights of ownership of the shares, including, but not limited to, the right to the shares purchased by us on all matters properly presented to the MGM MIRAGE stockholders, (iv) might result, in our reasonable judgment, in a limitation of the benefits expected to be derived by us as a result of the transactions contemplated by the Offer or the value of the shares to us, (v) otherwise could materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses, results of operations or prospects of MGM MIRAGE or any of its subsidiaries or affiliates, or (vi) otherwise directly or indirectly relates to the Offer or which otherwise, in our reasonable judgment, might adversely affect us, MGM MIRAGE or any of our or MGM MIRAGE's subsidiaries or affiliates or the value of the shares;

(e) any action shall have been taken or any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or MGM MIRAGE or any of our or MGM MIRAGE's subsidiaries or affiliates by any court, government or governmental agency or other regulatory or administrative authority, domestic or foreign, which, in our reasonable judgment, (i) indicates that any approval or other action of any such court, agency or authority may be required in connection with the Offer or the purchase of shares thereunder, (ii) would or might prohibit, restrict or delay consummation of the Offer or materially impair the contemplated benefits to us thereof, including the exercise of voting or other stockholder rights with respect to the shares purchased pursuant to the Offer or the receipt of any distributions or other benefits of ownership of the purchased shares to which owners of shares are entitled generally, or (iii) otherwise would reasonably be expected to materially adversely affect the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses, results of operations or prospects of us or MGM MIRAGE or any of our or MGM MIRAGE's subsidiaries or affiliates;

(f) tender or exchange offer for any shares of the capital stock of MGM MIRAGE shall have been made or publicly proposed to be made by another person, or it shall have been publicly disclosed or we shall have learned that (i) any person, entity or "group" (as that term is used in Section 13(d)(3) of the Exchange Act) shall have acquired, or proposed to acquire, more than five percent of any class or series of capital stock of MGM MIRAGE (including the shares), or shall have been granted any option or right, conditional or otherwise, to acquire more than five percent of any class or series of capital stock of MGM MIRAGE (including the shares) other than acquisitions for bona fide arbitrage purposes and other than acquisitions by any person, entity or group which has publicly disclosed such ownership in a Schedule 13D or 13G (or an amendment thereto on file with the SEC on or prior to December 4, 2006), (ii) any such person, entity or group which has publicly disclosed such ownership prior to such date shall have acquired or proposed to acquire more than one percent of any class or series of capital stock of MGM MIRAGE (including the shares) or shall have been granted any option or right to acquire more than one percent of any class or series of capital stock of MGM MIRAGE (including the shares), (iii) any new group shall have been formed which beneficially owns more than five percent of any class or series of capital stock of MGM MIRAGE (including the shares), (iv) any such person, entity or group shall have entered into a definitive agreement or an agreement in principle or made a proposal with respect to a tender offer or exchange offer for any shares or other business combination with or involving MGM MIRAGE or (v) any person shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire MGM MIRAGE or assets or securities of MGM MIRAGE; or

(g) any approval, permit, authorization, favorable review or consent of any governmental, administrative or regulatory entity, agency or authority with jurisdiction over the Offer, Tracinda or MGM MIRAGE shall not have been obtained on terms satisfactory to us in our reasonable discretion;

which, in our reasonable judgment, in any such case, and regardless of the circumstances (including any action or inaction by us) giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payment.

All the foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to such condition (including any action or inaction by MGM MIRAGE) or may be waived by us in whole or in part at any time and from time to time prior to the expiration of the Offer in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by us concerning the events described in this Section 12 will be final and binding upon all parties.

### **SECTION 13. ADDITIONAL INFORMATION**

The following description of certain transactions with Tracinda and its affiliates is derived from the Proxy Statement of MGM MIRAGE dated April 3, 2006.

“During 2005, the Company rented office space from Tracinda for various business purposes. The aggregate amount of rental which was paid by the Company to Tracinda for the year ended December 31, 2005 was \$46,332, which management believes to be at rates generally comparable to those offered to third parties.

“During 2005, the Company paid Tracinda \$741,174 for the use of Tracinda’s aircraft, primarily for business travel to Asia related to the Company’s development initiatives. Management believes the rates paid to charter Tracinda’s aircraft were generally comparable to those offered by third parties.

“For the year ended December 31, 2005, Tracinda paid the Company the aggregate amount of \$41,538 for usage of the Company’s aircraft. The rates charged by the Company for usage of its aircraft were mandated by Federal Aviation Administration regulations. In addition, Mr. Kirk Kerkorian, the sole stockholder of Tracinda, and Tracinda, collectively paid the Company the aggregate amount of \$198,996 for hotel services provided by the Company. Tracinda also leases office space from MGM MIRAGE’s hotel affiliates, and in 2005, Tracinda paid the Company \$5,833 for rent for such office space.

“Metro-Goldwyn-Mayer Inc. (together with its subsidiaries, “MGM, Inc.”) was formerly a company under common control with the Company, as Tracinda owned a majority of MGM, Inc. until April 2005, when MGM, Inc. was acquired by unrelated third parties in a merger transaction. Before the merger, MGM, Inc. paid the Company \$21,339 for hotel services.”

In addition, during 2006, MGM MIRAGE paid Tracinda approximately \$1,500,000 for the use of Tracinda’s aircraft, primarily for business travel to Asia related to MGM MIRAGE’s development activities.

#### **SECTION 14. LEGAL MATTERS**

Except as described in this Section 14, based on a review of publicly available filings MGM MIRAGE has made with the SEC and other publicly available information concerning MGM MIRAGE, we are not aware of any license or regulatory permit that appears to be material to the business of MGM MIRAGE that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any approval or other action by any governmental entity that would be required or desirable for the acquisition or ownership of shares by us as contemplated by the Offer. Although MGM MIRAGE is engaged in the gaming business, and therefore subject to applicable gaming laws in the various jurisdictions in which it conducts its gaming operations, it is our understanding that no approvals or actions by us are required under the applicable gaming laws in connection with the Offer. Should any approval or other action be required or desirable, we currently contemplate that we will seek or request MGM MIRAGE to seek that approval or other action. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions. Should any such approval or other action not be obtained or be obtainable only subject to substantial conditions, we could decline to accept for payment or pay for any shares tendered. See Section 12 of this Offer to Purchase, “Conditions to the Offer.”

#### **SECTION 15. FEES AND EXPENSES**

We have retained D. F. King & Co., Inc. to act as the information agent and Mellon Investor Services LLC to serve as the depository in connection with the Offer. The information agent and the depository each will receive reasonable and customary compensation for their services, be reimbursed for certain reasonable out-of-pocket expenses and be indemnified against various liabilities and expenses in connection therewith, including various liabilities and expenses under the federal securities laws. The information agent may contact MGM MIRAGE stockholders by mail, facsimile or personal interviews and may request banks, brokers, dealers, trust companies and other nominee stockholders to forward materials relating to the Offer to beneficial owners of the shares.

We will not pay any fees or commissions to any broker or dealer or other person, other than the depository and the information agent, in connection with the solicitation of tenders of shares under the Offer. We will reimburse banks, brokers, dealers, trust companies and other nominees on their request for customary mailing and handling expenses they incur in forwarding materials to their customers.

## **SECTION 16. DIVIDENDS AND DISTRIBUTIONS**

If, on or after November 22, 2006 (the date of the initial announcement of our intention to make the Offer), MGM MIRAGE should (a) split, combine or otherwise change the shares or its capitalization, (b) acquire or otherwise cause a reduction in the number of outstanding shares or other securities or (c) issue or sell additional shares, shares of any other class of capital stock, other voting securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, then, subject to the provisions of Section 12 of this Offer to Purchase, "Conditions to the Offer," we, in our sole discretion, may make such adjustments as we deem appropriate in the Offer price and other terms of the Offer, including, without limitation, the number or type of securities offered to be purchased.

According to MGM MIRAGE's periodic reports filed with the SEC under the Exchange Act, MGM MIRAGE has not paid any dividends on the shares since the first quarter of 2000. If after November 22, 2006, MGM MIRAGE should declare or pay any cash dividend or other distribution on the shares, or issue, with respect to the shares, any additional shares, shares of any other class of capital stock, other voting securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, payable or distributable to stockholders of record on a date prior to the transfer of the shares purchased pursuant to the Offer to us or our nominees or transferees on the Company's stock transfer records, then, subject to the provisions of Section 12 of this Offer to Purchase, "Conditions to the Offer," (i) the Offer price will be reduced by the amount of any such cash dividend or cash distribution and (ii) the whole of any such noncash dividend, distribution or issuance to be received by the tendering stockholders will (a) be received and held by the tendering stockholders for our account and will be required to be promptly remitted and transferred by each tendering stockholder to the depository for our account, accompanied by appropriate documentation of transfer, or (b) at our direction, be exercised for our benefit, in which case the proceeds of such exercise will promptly be remitted to us. If the Offer price is reduced pursuant to the preceding sentence, and if, at the time that notice of any such reduction in the Offer price is first published, sent or given to holders of shares, the Offer is scheduled to expire at any time earlier than the tenth business day after (and including) the date of such notice, then the Offer will be extended at least until the expiration of such period of ten business days. Pending such remittance and subject to applicable law, we will be entitled to all rights and privileges as owner of any such noncash dividend, distribution, issuance or proceeds and may withhold the entire Offer price for the shares or deduct therefrom the amount or value thereof, as we determine in our sole discretion.

## **SECTION 17. MISCELLANEOUS**

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not comply with the laws of that jurisdiction. We are not aware of any jurisdiction in which the making of the Offer or the tender of shares in connection therewith would not be in compliance with the laws of such jurisdiction. If we become aware of any state law prohibiting the making of the Offer or the acceptance of shares pursuant thereto in such state, we will make a good faith effort to comply with any such state statute or seek to have such state statute declared inapplicable to the Offer. If, after such good faith effort, we cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in such jurisdiction.

No person has been authorized to give any information or to make any representation on our behalf not contained herein or in the letter of transmittal and, if given or made, that information or representation must not be relied on as having been authorized.

We have filed with the SEC a Schedule TO under Exchange Act Rule 14d-3, together with exhibits, furnishing additional information with respect to the Offer, and may file amendments thereto. That schedule and any amendments thereto, including exhibits, should be available for inspection and copies should be obtainable in the manner set forth in Section 8 of this Offer to Purchase, "Information Concerning MGM MIRAGE."

December 4, 2006

TRACINDA CORPORATION

The letter of transmittal, certificates for shares and any other required documents should be sent or delivered by each stockholder of MGM MIRAGE or such stockholder's bank, broker, dealer, trust company or other nominee to the depository at one of its addresses set forth below.

*The Depository for the Offer is:*

## **MELLON INVESTOR SERVICES LLC**

***By Mail:***

Reorganization Department  
P.O. Box 3301  
South Hackensack, NJ 07606

***By Overnight Delivery:***

Reorganization Department  
480 Washington Boulevard  
Mail Drop-Reorg  
Jersey City, NJ 07310

***By Hand:***

Reorganization Department  
120 Broadway  
13th Floor  
New York, NY 10271

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.**

Any questions or requests for assistance may be directed to the Information Agent as set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal and other tender offer materials may be directed to the Information Agent, and copies will be furnished promptly at the Purchaser's expense. Copies of the Offer to Purchase, the related Letter of Transmittal and the other tender offer materials may also be obtained from the Information Agent's website, <http://www.dfking.com/mgm> or the SEC's website, <http://www.sec.gov>. Stockholders may contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer.

*The Information Agent for the Offer is:*

## **D. F. King & Co., Inc.**

48 Wall Street  
22nd Floor  
New York, NY 10005

Banks and Brokerage Firms, Call Collect: (212) 269-5550

All Others Please Call Toll Free: (800) 901-0068