



Bloomberg Resorts Corporation

30 April 2013

PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Janet A. Encarnacion
Head, Disclosure Department
Re: Bloomberg Resorts Corporation

Gentlemen:

Bloomberg Resorts Corporation (BLOOM) confirms the report in the INQUIRER.net quoted:

Gaming stocks fell sharply Monday as the market weighted in risks of a change in tax regime arising from the loss of tax-exemption status by industry regulator Philippines Amusement and Gaming Corp. (Pagcor).

Pagcor, for its part, said the tax treatment on privately owned gaming operators would indeed change but assured that no Pagcor tax would be passed on to its licensees.

Shares of Bloomberg Resorts Corp. (-5.35 percent), Belle Corp. (-4.56 percent) and Alliance Global Group Inc. (-3.6 percent) – all part of the main-share Philippine Stock Exchange index – were bludgeoned by concerns that Pagcor's loss of tax-exempt status might have some spillover effect, dealers said. As such, these index stocks tempered that PSEi's rise for the session.

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The new BIR rule referred to here affects the entire gaming industry currently regulated by PAGCOR. This is therefore an industry issue and the Licensees of PAGCOR are meeting to discuss and prepare a collective response to this matter.

The new BIR Revenue Memorandum Circular and the PAGCOR statement indicate that the Licensees will now be subject to the 30% corporate income tax on their net taxable income (instead of the 5% franchise tax on their gross gaming revenue). Since the 5% franchise tax is imbedded in the gaming fee that Licensees pay to PAGCOR, and since PAGCOR said it will not pass on any tax to the Licensee, we expect the gaming fees will be reduced to remove the 5% franchise tax component.

BLOOM is still determining how the change from 5% franchise tax on gross gaming revenue to 30% corporate income tax on net taxable income will affect its operations.

Very truly yours,

BLOOMBERRY RESORTS CORPORATION

By: 

SILVERIO BENNY J. TAN
Corporate Secretary