Bloomberry Resorts Corporation

9 May 2014

PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Janet A. Encarnacion
Head, Disclosure Department

Re: Bloomberry Resorts Corporation

Gentlemen:

Please see attached official statement of BLOOM in connection with Bureau of Internal Revenue ("BIR") Revenue Memorandum Circular No. 33-2013 ("RMC 33-2013").

Very truly yours,

BLOOMBERRY RESORTS CORPORATION

By:

SILVERIO BENNY J. TAN
Corporate Secretary

OFFICIAL STATEMENT

May 9, 2014

Manila, Philippines –The Philippine Amusement and Gaming Corporation (PAGCOR) has entered into an agreement with its Entertainment City Licensees, namely: Travellers International Hotel Group, Inc., Bloomberry Resorts and Hotels, Inc., MCE Leisure (Philippines) Corporation, and Tiger Resorts Leisure and Entertainment, Inc., on a mutually beneficial and practical solution to address the additional exposure to corporate income tax brought about by Bureau of Internal Revenue ("BIR") Revenue Memorandum Circular No. 33-2013 ("RMC 33-2013"). Such solution not only preserves for the Philippine Government (i.e., PAGCOR and BIR) the financial benefits that it already derives from the Provisional Licenses but also validates PAGCOR's commitment to uphold and abide by the terms of the Provisional License.

Recognizing that Article IV, Section 20 of their Provisional Licenses expressly provides that the License Fees that are paid to PAGCOR are "in lieu of all taxes," PAGCOR and the Licensees have agreed to adjust the license fees commencing **April 1, 2014** by ten percentage points (10%) of Gross Gaming Revenues. This adjustment will address RMC 33-2013 dated April 17, 2013 which imposes income tax on the Entertainment City Licensees. The 10% License Fee adjustment is a temporary measure to address the unilateral BIR action and is not intended to modify, amend or revise the Provisional License/s. The parties agreed to revert to the original license fee structure under the Provisional Licenses in the event the BIR action is permanently restrained, corrected or withdrawn. PAGCOR and the Licensees also agreed that the 10% License Fee adjustment is not an admission of the validity of BIR RMC No. 33-2013 and it is not a waiver of any of their remedies against any assessment/s by the BIR for income tax on their gaming revenue.

For taxable periods prior to April 1, 2014, PAGCOR and the Licensees agreed to mutually cooperate to, and in good faith, carry out and accomplish the commercial objectives of the Provisional License/s, specifically Article IV, Section 20 thereof, insofar as the License Fees paid to PAGCOR are in lieu of all taxes with reference to the Income Component of the Gross Gaming Revenues, through equitable arrangements acceptable to the parties.

The Entertainment City Project of PAGCOR paves the way for the infusion of at least US$ 5 billion in investments by its Licensees, development of at least 3,200 hotel rooms and creation of at least 80,000 direct and indirect employment. It is envisioned that the completion of the Entertainment City Project will catapult the Philippines as a must-visit tourist and gaming destination in the Asia-Pacific region.