

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
Makati City

30 April 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

MS. SHEENA PAULA H. PEDRIETA
Senior Specialist, Disclosure Department

Re: **Comments on News Article "Gaming stocks decline due to new tax system"**

Gentlemen:

We refer to your letter dated 30 April 2013 asking for the comments of Melco Crown (Philippines) Resorts Corporation ("Company") on the news article "Gaming stocks decline due to new tax system" which was posted in the INQUIRER.net on 29 April 2013 and in particular, the excerpt below that you quoted in your letter dated 30 April 2013:

"Gaming stocks fell sharply Monday as the market weighed in risks of a change in tax regime arising from the loss of tax-exemption status by industry regulator Philippine 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.

...

Outside of the PSEi, Melco Crown (Philippines) Resorts Corp. (-4.96 percent), which recently completed a \$377-million follow-on or re-IPO (initial public offering) deal, also tumbled. Melco is the operator of the upcoming Belle Grande integrate4d gaming complex built by the SM group through Belle.

..."

We note that the ruling referred to in the news article, Revenue Memo Circular No. 33 – 2013 (“RMC 33-2013”) merely clarifies the tax position already set out in the decision of the Supreme Court on March 15, 2011 (*PAGCOR v. Bureau of Internal Revenue*, (G.R. No. 172087, March 15, 2011) and that PAGCOR licensees are “subject to income tax under the NIRC”.


As MCE Leisure (Philippines) Corporation, the Company’s subsidiary, is a PAGCOR licensee, the Company continues to evaluate different options available to it, including but not limited to, legal remedies and negotiations with relevant regulatory bodies.

Thank you.

Very truly yours,

**MELCO CROWN (PHILIPPINES)
RESORTS CORPORATION**

By:


FRANCES T. YUYUCHENG
Corporate Secretary