



25 March 2013

Philippine Stock Exchange, Inc.
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Ma. Ilonah Jane T. Torres**
Analyst, Disclosure Department

Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

We reply to your request for clarification on a news article entitled "LRWC may spend P5.2 billion for hotels, BPO" posted in *The Manila Times.net* on 24 March 2013. The pertinent portion of the article states:

Hotel and recreation firm Leisure and Resorts World Corp. (LRWC) is eyeing further revenue growth as it plans to spend about P5.2 billion for hotels and business process outsourcing (BPO) investments within the year.

LRWC chairman Reynaldo Bantug said that several investments are on the firm's current pipeline—P1 billion equity investment in Belle Grand Manila Bay, another hotel and casino that will rise in Pagcor's Entertainment City, Parañaque City; expansion of its Midas Hotel and the completion of the firm's first BPO office building.

He further said that the company is allocating P1-billion equity investment in Belle Grand Manila Bay, which will form part of the company's 30-percent economic interest in the consortium between SM's Belle Corp. and Macau-based Melco Crown Entertainment Ltd.

LRWC is also planning to expand its Midas Hotel by putting up additional rooms and amenities like swimming pools in the hotel's additional 4,500 square meter of space.

This expansion, according to Bantug, is seen to improve the current 65-percent occupancy rate of the hotel. Also, LRWC said that it may spend around P2 billion to P2.5 billion for the completion of its first BPO building, Techzone.

Bantug said that these investments will eventually help the firm increase its revenues in the next few years. . . .

We wish to correct that the budget is about P5 billion and not P5.2 billion. Moreover, the budget referred to in the above-quoted news article includes not only the spending for the Belle Grande Integrated Resort and Casino project, Midas Hotel project, and Techzone BPO building project but also the budget for the acquisition of additional bingo sites. The figures quoted in the article are estimates and are still subject to approval.

Furthermore, we wish to confirm that the projects to be funded referred to in the above-quoted article are part of the disclosures submitted to the Exchange on 24 and 28 January 2013.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Raul G. Gerodias', with a large, sweeping initial 'R'.

RAUL G. GERODIAS
Compliance Officer