

By Nathan Layne and Rosemarie Francisco

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TOKYO/MANILA (Reuters) - Philippine property firm Robinsons Land Corp (RLC.PS) and Japan's Universal Entertainment Corp (6425.OS) said they ended talks over a planned joint development of a \$2 billion casino-resort complex in Manila without a deal.

Universal, controlled by billionaire founder Kazuo Okada, had been in negotiations with Robinsons Land since late last year over what would be the Philippines' biggest casino-resort development. The talks were extended after the failure to close a deal by an initial target of end-January.

In separate statements on Wednesday, the companies said they decided by mutual agreement not to pursue discussions on the proposed development.

Universal may now seek a new partner for the project or go it alone, though there was no final decision yet, spokesman Nobuyuki Horiuchi told Reuters, adding the development of the Manila Bay Resorts casino was on target to open next year.

Robinsons Land had been in talks to acquire a majority stake in unlisted Eagle I Landholdings Inc, which owns the site for Universal's casino project, with the aim of developing the commercial, hotel and residential parts of the complex.

Robinsons Land shares fell as much as 3.9 percent on Wednesday, while the main Philippine stock index [.PSI](#) was up 1.2 percent. Shares in Universal ended 0.64 percent lower at 2,032 yen, underperforming the broader Japanese index [.N225](#), which closed up 0.1 percent.

LAND OWNERSHIP

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A deal with Robinsons had been seen as a way for Universal to resolve a legal dispute over the ownership structure of Eagle I, the registered owner of a 40-hectare plot of land on Manila Bay. Last year, an arm of the Philippine justice department published a legal opinion indicating the structure breached the constitution because Aruze USA, a U.S. firm controlled by Okada, effectively held 64 percent of Eagle I via direct and indirect stakes, above a foreign ownership threshold of 40 percent.

The Philippine Amusement and Gaming Corporation (PAGCOR), the industry regulator, has said Universal needed to address the land issue before the casino would be allowed to open.

On Wednesday, Thadeo Francis Hernando, PAGCOR's vice president for licensed casino development, told Reuters by telephone: "The solution is entirely up to them. As long as there is an apparent breach of the constitutional limitation on land ownership, we cannot allow the casino to open, that's the extent of our regulatory mandate."

Universal has said it conducted its business in the Philippines lawfully. In a statement last week, the company said it acquired the land based on the advice of a prominent Philippine law firm that "advised us that it was legal, so this should not be an obstacle to the opening of business in the Philippines."

Universal has filed a defamation suit against Reuters in Tokyo for its reporting about \$40 million in payments to Rodolfo Soriano, a businessman with ties to the former head of PAGCOR, around the same time the Japanese company was granted concessions for the Manila casino in 2010.

The FBI and the Philippine National Bureau of Investigation (NBI) have separately been investigating the payments as a potential bribery case.

(Additional reporting by Farah Master; Editing by Ian Geoghegan)

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