



San Miguel Properties, Inc.

April 14, 2008

Philippine Stock Exchange, Inc.

Disclosure Department
4th Floor, Philippine Stock Exchange Center
PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

We refer to the news article entitled "SM Properties, GSIS to build hotel in HK" published in the April 14, 2008 of The Philippine Star. The article reported in part that:

"San Miguel Properties Inc. has forged an agreement with the Government Service Insurance System (GSIS) to jointly build a P1.7-billion high-end serviced apartment type-hotel in Makati by the likes of the four Seasons Luxury Hotel in Hong Kong. The project, a 50-50 joint venture between the two parties, will rise on GSIS's 1,766 square meter lot adjacent to Greenbelt 1 in Legazpi Village, Makati City..."

The Company has concluded a 50-50 Joint Venture Agreement (JVA) with the Government Insurance System, to build a P1.7-billion high-end serviced apartment typed-hotel in Makati, on the 1,766 square property of GSIS adjacent to Greenbelt 1. The JVA does not provide for the construction of a hotel in Hong Kong, as erroneously reported in the headline of the Philippine Star article of April 14, 2008 appearing on its Business Section page B-3.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer