



March 31, 2017

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets & Securities Regulation Department

The Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37/F Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that AC Infrastructure Holdings Corporation ("AC Infrastructure"), a wholly owned subsidiary of Ayala Corporation ("Ayala"), and SM Investments Corporation ("SMIC"), submitted today an unsolicited proposal to the Department of Public Works and Highways to design, finance, construct, operate, and maintain for a period of 35 years an elevated toll road approximately 8.6-kilometer long that would link Sta. Mesa, Manila to the Mall of Asia Complex in Pasay City via the Central Business District. The estimated project cost is ₱25 billion.

The proposed toll road identified as C3 Elevated Expressway ("C3EX"), completes Circumferential Road 3 (C3) and is expected to reduce traffic congestion along Epifanio Delos Santos Avenue ("EDSA") and improve access to Manila Bay development areas, the Makati central business district, the cities of Mandaluyong, San Juan, and Manila. It is proposed to have interchanges in Sta. Mesa, the Circuit Makati, Ayala-Gil Puyat, Roxas Boulevard, and the SM Mall of Asia Complex. The proposed project will go through the government process for unsolicited proposals under the Build-Operate-Transfer (BOT) Law.

Very truly yours,

NORMA P. TORRES

Head of Business Development
AC Infrastructure Holdings Corporation

TRISTAN B. CHOA

Vice President, Investments Portfolio
SM Investments Corporation