COVER SHEET

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S.E.C. Registration Number

A	R	A	N	E	T	A		P	R	O	P	E	R	T	I	E	S	,		I	N	C	.						

(Company's Full Name)

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(Business Address : No. Street City / Town / Province)

JOSE FIDEL R. ACUÑA

Contact Person

8443906

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

SEC FORM

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FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SEC Number **152249**
File Number

ARANETA PROPERTIES INCORPORATED

Company's Full Name

21st Floor Citibank Tower, Paseo de Roxas, Makati City
Company's Address

(632) 848-1501
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

17-Q 3rd Quarter
Form Type

Amended Designation (If Applicable)

September 30, 2018
Period Ended Date

Registered and Listed
Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **September 30, 2018**

2. SEC Identification No. **152249** 3. BIR Tax Identification No. **050-000-840-355**

4. Exact name of issuer as specified in its charter: **ARANETA PROPERTIES, INC.**

5. _____
Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **21st Floor, Citibank Tower, Paseo de Roxas, Makati City**
Address of issuer's principal office Postal Code

8. (632) 848-1501
Registrant's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	1,951,387,570

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [X] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and Rule 17 of the SRC thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes [**X**] No [ ]

(b) has been subject to such filing requirements for the past 90 days:

Yes [**X**] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The financial statements of Araneta Properties Incorporated (ARA) are filed as part of this Form 17-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations; Plan of Operation

Plan of Operation

During the Third Quarter of 2018

The performance of the Company in terms of revenue decreased by 33.038% Sales for the quarter is P28.331 million as compared to P42.309 million of the year 2017. This performance is directly attributed to marketing strategies implemented in Year 2014, specifically the holding on of some Inventory for a much better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also undertook fine-tuning the whole system, maintaining and improving ***Colinas Verdes***, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies is already conclusive in April 2017, As of September 30, 2018 there more or less twenty three (27) buyers have already reserved more or less 3,919 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% & 99.68% respectively complete, while the Country Club is 98.00% complete as of September 30, 2018. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

Table I – The comparative figures of the results of revenue for the three (3) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

	For three (3) months Period			% Change	% Change
In millions (Php)	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Income from Real Estate	30.393	38.758	24.581	27.523%	(36.578%)
Accretion of Interest Income	4.573	3.551	3.750	(22.3495)	5.604%
Total revenue	34.966	42.309	28.331	5.174%	(33.038%)

Table II – The comparative figures of the results of operations and other operating income for the three (3) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same three (3) months period

	For three (3) months Period			% Change	% Change
In millions (Php)	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	34.966	42.309	28.331	15.474%	(33.038%)
Expenses	20.335	22.138	19.438	59.842%	(12.196%)
Net Income	14.631	20.171	8.893	(44.368%)	(20.842%)
Add: Other Income	0.227	0.384	0.463	56.173%	20.573%
Net Income (before tax)	14.858	20.555	9.356	11.81%	(0.269%)

Table III – The comparative figures of the results of revenue for the nine (9) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
In millions (Php)	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Income from Real Estate	85.940	90.845	48.337	27.523%	(46.792%)
Accretion of Interest Income	12.101	10.450	8.964	(22.3495)	(14.220%)
Total revenue	98.041	101.295	57.301	5.174%	(43.432%)

Table IV – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2018 with comparative figures of year 2017 and 2016 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
In millions (Php)	Year 2016	Year 2017	Year 2018	2016 vs 2017	2017 vs 2018
Revenue	98.041	101.295	57.301	15.474%	(43.432%)
Expenses	61.968	72.057	58.922	59.842%	(18.229%)
Net Income	36.073	29.238	(1.621)	(44.368%)	(25.203%)
Add: Other Income	0.390	0.441	29.980	56.173%	6698.186%
Net Income (before tax)	36.463	29.679	28.359	11.81%	6723.389%

The detail of increase in other income in the 1st and 2nd quarter of 2018 is the collection of proceeds from sale metal scrap recovered from the Manticao Smelter Plant.

During the Third Quarter of 2017

The performance of the Company in terms of revenue increased by 21% sales for the quarter is P42.309 million as compared to P34.966 million of the same period of year 2016. This performance is directly attributed to marketing strategies being implemented, specifically the holding on of some Inventory for a much better price. This strategy will create a favorable momentum for the company's operation activities while awaiting for the right timing on the implementation of sales forecast. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also under took fine-tuning the whole system, maintaining and improving ***Colinas Verdes***, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and

management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies is already conclusive, where some buyers have already reserved more or less 2,514 square meters of subdivided lot at the price of P13,000.00 per square meter, much more higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

The Company is using "Project Percentage of Completion" (PPOC) in the recognition of revenue, the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% & 98.00% complete, while the Countryclub is 100% complete as of September 30, 2017. The Company uses the PPOC in determining sales during the period.

Table I – The comparative figures of the results of operations for the three (3) months period ending September 30, 2017 with comparative figures of year 2017 and 2016 for the same period

	For the three (3) months Period			**% Change**	**% Change**
In millions (Php)	**Year 2015**	**Year 2016**	**Year 2017**	**2015 vs 2016**	**2016 vs 2017**
Revenue	37.466	34.966	42.309	(07.150%)	21.000%
Expenses	26.644	20.107	21.754	(32.511%)	8.191%
Net Income (before tax)	10.822	14.859	20.555	27.169%	38.334%

Table II – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2017 with comparative figures of year 2017 and 2016 for the same period

	For the nine (9) months Period			**% Change**	**% Change**
In millions (Php)	**Year 2015**	**Year 2016**	**Year 2017**	**2015 vs 2016**	**2016 vs 2017**
Revenue	127.606	98.041	101.295	(30.156%)	3.319%
Expenses	85.467	61.578	71.616	(38.795%)	16.301%
Net Income (before tax)	42.139	36.463	29.679	(15.566%)	(18.605%)

Table III – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the quarter ending September 30, 2017 with comparative figures of year 2016 for the same period

	For the quarter ending September 30		% Change
In Millions (Php)	**Year 2016**	**Year 2017**	**2016 vs 2017**
Income from Real Estate Business	30.393	38.758	21.583%
Accretion of Interest from Installment Sales	4.573	3.551	(28.781%)
Total Revenue	34.966	42.309	17.356%

Table IV – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the six (6) months ending September 30, 2017 with comparative figures of year 2016 for the same period

	For the nine (9) months ending September 30		% Change
In Millions (Php)	**Year 2016**	**Year 2017**	**2016 vs 2017**
Income from Real Estate Business	85.940	90.844	5.399%
Accretion of Interest from Installment Sales	12.101	10.451	(15.794%)
Total Revenue	98.041	101.295	3.213%

During the 3rd Quarter of 2016

The Company's Sales output and revenue generation for the period amounting to 37.465 and P64.364 Million for 2016 and 2015 respectively, the sales output during the quarter decreased by 42.18%, This performance is directly attributed to marketing strategies being implemented by the Company, which included among others, the holding on of some its inventory to induce a more competitive price. This strategy likewise includes a price watch which shows higher forecast of demand in the real estate within the locality, evidenced by the launching of real estate projects of Ayala Land Development, Inc., Avida Land, Inc., as well as the recent opening of the SM Shoemart, in San Jose Del Monte, Bulacan area, which serves as a positive indicator of the high prospects of real estate developments within the locality in the near future.

Other key factors affecting the operational performance in terms of sales output is a result of marketing strategies being implemented creating a favorable momentum for the company's operation activities, constantly and flexibly managing and developing new high margin inventory for more operational efficiency of the whole system, maintaining and improving ***Colinas Verdes*** the subdivision's brand-name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualize training programs for the staff and management group, ensuring financial resources for the operation of the whole system without compromising low cost but effective cash flow management.

As of September 30, 2016, the residential area of Phase 1, Phase 2 & Phase 3 are 99.96%, 99.97% & 93.00% complete. while the Country club is 99.00% complete.

Table I – The comparative figures of Sales and Revenue for the quarter ending September 30, 2016 with comparative figures of year 2015 and 2014 for the same period

	For the quarter ending September 30			**% Change**	**% Change**
In millions (Php)	**Year 2014**	**Year 2015**	**Year 2016**	**2014 vs 2015**	**2015 vs 2016**
Income from Real Estate	61.242	34.773	41.092	(43.220%)	18.172%
Accretion interest Income	3.123	2.692	2.750	(13.801%)	2.155%
Total Revenue	64.365	37.465	43.842	(57.021%)	17.021

Table II – The comparative figures of the results of operations and other operating income for the three (3) months period ending September 30, 2016 with comparative figures of year 2015 and 2014 for the same three (3) months period

	For three (3) months Period			% Change	% Change
In millions (Php)	Year 2014	Year 2015	Year 2016	2014 vs 2015	2015 vs 2016
Revenue	64.395	37.465	43.842	(41.793%)	(33.038%)
Expenses	56.698	26.943	28.604	(52.480%)	(12.196%)
Net Income	7.667	10.522	15.238	10.687%	(20.842%)
Add: Other Income	0.127	0.201	0.363	58.268%	20.573%
Net Income (before tax)	7.794	10.723	15.601	68.955%	(0.269%)

Table III – The comparative figures of the results of revenue for the nine (9) months period ending September 30, 2016 with comparative figures of year 2015 and 2014 for the same nine (9) months period

	For nine (9) months Period			% Change	% Change
In millions (Php)	Year 2014	Year 2015	Year 2016	2014 vs 2015	2015 vs 2016
Income from Real Estate	140.792	110.739	96.639	(21.346%)	(12.733%)
Accretion of Interest Income	6.594	16.867	1.750	155.793%	(89.625%)
Total revenue	147.386	127.606	98.389	134.447%	(22.896%)

Table IV – The comparative figures of the results of operations for the nine (9) months period ending September 30, 2016 with comparative figures of year 2015 and 2014 for the same nine (9) months period

	For Nine (9) months Period			% Change	% Change
In millions (Php)	Year 2014	Year 2015	Year 2016	2014 vs 2015	2015 vs 2016
Revenue	147.386	127.606	98.389	(13.421%)	(22.896%)
Expenses	123.921	85.910	51.542	(30.674%)	(28.365%)
Net Income	23.465	41.696	36.847	17.253%	5.468%
Add: Other Income	0.209	0.442	0.358	111.483%	(19.005%)
Net Income (before tax)	23.674	42.138	37.205	128.736%	(24.473%)

During the 3rd quarter of 2015

The Company's sales output during the period relatively slow as compared to that third quarter of the previous year. This performance is a result of marketing strategies being implemented specifically the holding of some inventory in line with price watch which shows higher market rebound in the near future in real estate within the locality. The launching of real estate projects of Ayaland Development, Inc., the Avida Land, Inc., and as well as the soon to open SM Shoemart, in San Jose Del Monte, Bulacan area. This is an added scenario of Boom Real Estate Development in the north.

The Company posted revenue during the quarter amounting P37.465 million as compared with P64.365 million of the same period last year. The decrease in sales was the effect of marketing strategies being implemented by the Company wherein some of the inventories are temporarily put on-hold while waiting for much better price.

With the decreased in sales out-put as a result of holding-on some inventory, the company also implemented some measure to be able to protect profitability of the company by way of costing from its regular operating expenses.

As of September 30, 2015, the residential areas of Phase 1, Phase 2 and Phase 3 are 99.96%, 99.97%, and 84.70% complete, respectively, while the Country Club is 98.76% complete as of September 30, 2015, based on the physical completion report provided by the joint venture's supervising engineer.

Table I – Shows a comparative figures of the results of operations for the Nine (9) months period ending September 30, 2015 with comparative figures of year 2014 and 2013 for the same six (6) months period

	For Nine (9) months Period			% Change	% Change
In millions (Php)	Year 2013	Year 2014	Year 2015	2013 vs 2014	2014 vs 2015
Revenue	137.392	147.385	127.606	7.273%	(13.420%)
Expenses	110.229	123.921	85.468	(12.421%	(31.031%)
Net Income (before tax)	27.163	23.464	42.138	-13.618%	79.590%

Table II – Shows the comparative figures of the revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales of real estate business for the Nine (9) months ending September 30, 2015 with comparative figures of year 2014 for the same period

	For the Nine (9) months Ending September 30		% Change
In Millions (Php)	Year 2014	Year 2015	2014 vs 2015
Income from Real Estate Business	140.792	110.739	(21.346%)
Accretion of interest from installment sales	6.593	16.867	155.832%
Total Revenue	147.385	127.606	-13.420%

Item 2.2 ***Management's Discussion and Analysis/ Plan of Operation***

Results of Operation
(January – September 30, 2018 vs January –September 30, 2017)

During the quarter, the operation was thriving in all business aspects. This includes the real estate aspect as there were reputable real estate companies that already started development and marketing operations in San Jose Del Monte Bulacan. More so, the recent ground-breaking Government projects, specifically the "MRT7" for the rail transit connecting Quezon City to Norzagaray Bulacan, created a positive scenario in the real estate business that eventually benefited the Company's land banking activity for the previous years and holding on of some inventory for a much better price.

The percentage of revenues for the quarter ending September 30, 2018 with comparative figures for 2017 and 2016 with the same period

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	34,965,666	42,309,431	28,331,353
Cost of Land	8,959,686	7,939,363	2,854,104
Percentage to Revenue	25.624%	18.765	10.074%

The percentage of revenues during the last three (3) quarters ending September 30, 2018 are as follows:

Particulars	Year 2016	Year 2017	Year 2018
Sale from Real Estate	98,041,004	101,295,318	57,300.630
Cost of Land	20,302,964	16.852,900	12,267,873
Percentage to Revenue	20.709%	16.637%	21.410%

The Company has posted a net profit (after tax) of P19.851 Million as at end of third quarter ended September 30, 2018 as compared with the P20.907 million in 2017, and P25.524 million in 2016 of that same period.

The deficit stands at P391.365 million and P379.649 million as of September 30, 2018 and 2017, respectively.

For the nine (9) months ended

	September 30, 2018 (In Millions)	September 30, 2017 (In Millions)
Revenue	P57.301	P101.295
Direct Costs	12.269	16.853
Gross Profit Margin	45.033	84.442
Operating Expenses	46.654	55.204
Net Income (before other Income)	(1.621)	29.238
Add: Other Income	29.980	0.441
Net income before tax	28.359	29.679

Revenue generated during the third quarter of 2018 represents shares from sales from Joint Venture Project with SLRDI and recovery of slag at Manticao Property. The decrease in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell market awaiting for a much better price.

Other Income represents interest income from installment and as well as interest income from savings account with banks and as well as proceeds from sale of metal scrap recovered from Manticao Smelter Plant.

Liquidity and Capital Resources

The company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer incharge of the development has reported to be (almost) 100% complete as at end of September 30 2018.

Particulars	September 30, 2018 (In Million)	September 30, 2017 (in Million)
Total assets as at end of	P1,995.094	P2,106.254
Total liabilities as at end of	P235.601	P337.245
Ratio of assets to liabilities	11.809%	16.012%
Financial Condition		
Cash and cash equivalent	P36.645	P91.591
Receivable	P323.815	P393.320
Prepaid Taxes	P8.481	P7.830
Real estate Inventories	P851.398	P865.831

Land held for future development	P679.196	P647.415
Property and equipment	P11.045	P12.493
Investment property	P5.444	P5.444
Recoverable Tax	P76.579	P79.930
Other assets	P2.490	P2.400
Current liabilities	P13.920	P130.927
Noncurrent liabilities	P96.681	P206.318
Stockholders' equity	P1,759.493	P1,769.009

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The increased in real estate land for sale & development is the result of the accounting of cost land acquired net of inventory sold during the period based on Percentage of Project Completion (PPOC).

The Company started land banking in year 2012 with total land acquisitions as of September 30, 2018 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte Bulacan				
GASDF Property	47.976	7,196,400.00	7,196,400.00	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	248,183,035.71	248,183,035.71	Fully paid
Marga Capital Holdings, Inc.	360,000	135,878,430.13	135,878,430.13	Fully paid
Insular Life Insurance Co.,	581,500	430,474,268.00	257,515,856.75	172,958,411.25
Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
Subtotal	***2,346.497***	***912,457,551.05***	***739,499,139.80***	***172,958,411.25***
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
Subtotal	***841,243***	***262,584,600.00***	***-0-***	***262,584,600.00***
Total (San Jose Del Monte)	**3,217,770**	**1,175,042,151.05**	**739,499,139.80**	**435,543,011.25**
Add: Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. al	225,752	61,032,240.00	56,600,000.00	4.432.240.00
	282,963	***89,637,740.00***	***55,205,500.00***	***44,932,240.00***
Total Land Banking	**3,500,703**	**1,264,679,891.05**	**824,706,639.80**	**439,975,251.25**

The decreased in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

Decreased in other assets account attributed to the liquidation of deposits from land banking during the period.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Related party transactions consist mainly of advances made by Company officers for the payment of liability from purchased of land on installment, the said advances issued by Company officers without interest charges.

Decreased in other assets account is brought about by the liquidation of some fund provided in the land banking activity resulting conclusion of acquisition of more ore less 5 hectare' land from Cuenca family

Decreased in payables, is result of accounting and payment of accounts including land banking activity

The decreased in Stockholder's Equity is attributed to normal operational income (loss) in the real estate business and other miscellaneous income.

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

The company operates in one business segment, the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the nine (9) months ended	September 30, 2018	September 30, 2017
Current Ration (1)	8.195 : 1	9.976 : 1
Debt to Equity Ratio (2)	1 : 0.134	1 : 0.191
Earnings per Share (3)	1 : 0.01017	1 : 0.01071
Earnings before Income Taxes (4)	P19.851 million	P20.907 million
Return on Equity	0.01128	0.001182

1) Current Assets / Current Liabilities
2) Total Liabilities / Stockholders' Equity
3) Net Income / Outstanding Shares
4) Net Income plus Interest Expenses and Provision for Income Tax
5) Net Income / Average Stockholder's Equity

Stockholders' Equity
- Total Stockholders' Equity in 2018 is P1,759,493,178.06 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2017 is P1,769,009,176.68 (Issued and paid of 1,951,387,57 shares with P1.00 par value)

Results of Operation
(January – September 30, 2017 vs January –September 30, 2016)

During the quarter, the operation was considered as healthy in all business aspects. This includes the real estate aspect as there were reputable real estate companies that already started development and marketing operations in San Jose Del Monte Bulacan. More so, the recent ground-breaking Government projects, specifically the "MRT7" for the rail transit connecting Quezon City to Norzagaray Bulacan, created a positive scenario in the real estate business that

eventually benefited the Company's land banking activity for the previous year and holding on of some inventory for a much better price.

As mentioned above, key factors affecting the Company's sales output during the period are the result of strategies being implemented by the company specifically the holding of some inventories in abeyance for a much better price considering that all indicators reveal the boom of real estate in the near future within the locality as evidenced by the launching of real estate projects by Ayala Land Development, Inc., and that of Avida Land, Inc., not to mention the recent opening of the SM Mall in San Jose Del Monte, Bulacan. All of these show a positive scenario to trigger much higher mark-up price on real estate in San Jose del Monte, Bulacan

The percentage of revenues for the quarter ending September 30, 2017 with comparative figures for 2016 and 2015 with the same period

Particulars	Year 2015	Year 2016	Year 2017
Sale from Real Estate	37,465,594	34,965,666	42,309,431
Cost of Land	15,735,550	8,959,686	7,939,363
Percentage to Revenue	42.00%	25.62%	18.76%

The percentage of revenues for the nine (9) months period ending September 30, 2017 with comparative figures for 2016 and 2015 with the same period

Particulars	Year 2015	Year 2016	Year 2017
Sale from Real Estate	127,605,664	98,041,004	101,295,318
Cost of Land	47,692,252	20,302,964	16,852,900
Percentage to Revenue	37.37%	20.71%	16.64%

The Company has posted a net profit (after tax) of P20.907 Million in the nine (9) months period ending September 30, 2017 as compared with the P25.524 million in 2016, and P29.497 million in 2015 of that same period.

The deficit stands at P379.649 million and P391.550 million as of September 30, 2017 and 2016, respectively.

	For the Quarter Ended	
	September 30, 2016 (In Millions)	September 30, 2017 (In Millions)
Revenue	P34.966	P42.309
Direct Costs	8.960	7.939
Gross Profit Margin	26.016	34.370
Operating Expenses	11.157	13.815
Net Income before tax	P14.859	P20.555

	For the nine (9) months Ended	
	September 30, 2016 (In Millions)	September 30, 2017 (In Millions)
Revenue	P98.041	P101.295
Direct Costs	20.303	16.853
Gross Profit Margin	77.738	84.442
Operating Expenses	41.275	54.763
Net Income before tax	P36.463	P29.679

Revenue generated during the 3rd quarter of 2017 represents shares from sales from Joint Venture Project with SLRDI. The increased in sales was the effect of marketing strategy being implemented by the Company with some inventory put on-hold to sell market awaiting for a much better price.

Liquidity and Capital Resources

The company posted net profit during the quarter, the benefits from the construction of the Clubhouse and Sports Center, which the project engineer in-charge of the development has reported to be 100% complete as of September 30, 2017.

Particulars	September 30, 2016 (In Million)	September 30, 2017 (in Million)
Total assets as at end of	P2,060.362	P2,106.254
Total liabilities as at end of	P304.999	P337.245
Ratio of assets to liabilities	14.803%	16.012%
Financial Condition		
Cash and cash equivalent	P93.734	P91.591
Receivable	P286.325	P393.320
Prepaid Taxes	-0-	P7.830
Real Estate Inventory	P881.024	P865.831
Land held for future development	P644.840	P647.415
Property and equipment	P15.579	P12.493
Investment property	P5.444	P5.444
Recoverable Tax	P79.216	P79.930
Other assets	P76.354	P2.400
Current liabilities	P29.443	P130.927
Noncurrent liabilities	P275.556	P206.318
Stockholders' equity	P1,755.363	P1,769.009

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

Movement in advances related parties account directly related to liquidation of land banking activity resulting to the conclusion of acquisition of 581,500 square meters land from Insular life Insurance Company, LTD

The decreased in real estate inventories is the result of the accounting of cost land sold during the period based on Percentage of Project Completion (PPOC).

Input Value-added Tax (VAT), movement of which represents uses of prepaid VAT net out-tax due during the period

Increased in prepayments is normal accounting of prepayments net of amortization of expired portion of said prepayments.

Movement in land held for future development is attributable to cost of land banking activities during the period.

The Company started land banking in year 2012 with total land acquisitions as of September 30, 2017 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte, Bulacan				
GASDF Property	66,256	9,475,646.47	9,475,646.47	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	248,183,035.71	248,183,035.71	Fully paid
Marga Capital Holdings, Inc.	360,000	135,878,430.13	135,878,430.13	Fully paid
Insular Life Insurance Co.,	581,500	430,474,268.00	257,515,856.75	172,958,411.25
Subtotal	***2,344,683***	***902,213,297.52***	***729,254,886.27***	***172,958,411.25***
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	226,321,200.00	Under negotiation	226,321,200.00
Subtotal	***841,243***	***362,583,800.00***	***-0-***	***362,583,800.00***
Total (San Jose Del Monte)	**3,185,926**	**1,264,797,097.52**	**729,254,886.27**	**535,542,211.25**
Add; Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500.00	28,605,500.00	-0-
Almazan et. Al	225,752	62,396,520.00	52,464,280.00	9,932,240
	282,963	***91,002,020.00***	***81,069,780.00***	***9,932,240.00***
Total Land Banking	**3,468,889**	**1,355,799,117.52**	**810,324,666.27**	**545,474,451.25**

The decreased in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

Decreased in other assets account attributed to the liquidation of deposits from land banking during the period.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

The increase in Stockholder's Equity is attributed to normal operational income in the real estate business.

Capital Expenditure

There was no capital expenditure for the period.

Key Performance Indicators

The company operates in one business segment: the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the six (6) months period ending	September 30, 2016	September 30, 2017
Current Ration (1)	12.908 : 1	09.976 : 1
Debt to Equity Ratio (2)	1 : 0.1738	1 : 0.1906
Earnings per Share (3)	1 : 0.01308	1 : 0.01071
Earnings before Income Taxes (4)	P36.463 million	P29.679 million
Return on Equity	0.01454	0.01182

1) Current Assets / Current Liabilities
2) Total Liabilities / Stockholders' Equity
3) Net Income / Outstanding Shares
4) Net Income plus Interest Expenses and Provision for Income Tax
5) Net Income / Average Stockholder's Equity

Stockholders' Equity
-Total Stockholders' Equity in 2017 is P1,769,009,176.68 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

- Total Stockholders' Equity in 2016 is P1,755,362,807.36 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

Results of Operation
(January– September 30, 2016 - vs- January - September 30, 2015)

During the quarter, operations were very healthy in all business aspects, including that of real estate as there were reputable real estate company's which already started development and marketing operations in San Jose Del Monte Bulacan, including the recent ground breaking of the Government project specifically the "MRT7" for the "Metro Rail Transit" connecting Quezon City to San Jose del Monte City, Bulacan, creating a bright future in real estate business and which eventually benefited the Company's land banking activity.

As mentioned above, key factors affecting the Company's sales output during the period are the result of strategies being implemented by the company specifically the holding of some inventories in abeyance for a much better price considering that all indicators reveal the boom of real estate in the near future within the locality as evidenced by the launching of real estate projects by Ayala Land Development, Inc., and that of Avida Land, Inc., not to mention the recent opening of the SM Mall in San Jose Del Monte, Bulacan. All of these show a positive scenario to trigger much higher mark-up price on real estate in San Jose del Monte, Bulacan

Total lot sold during the nine (9) months period is ninety five thousand fifty seven (19,057) square meter, thus the company has already sold total of nine hundred nine thousand five hundred forty three (909,543) square meter as of September 30, 2016

The percentage of revenue for the nine (9) months ending September 30, 2016 with comparative figures of 2015, and 2014 of the same period as follows:

Particulars	Year 2014	Year 2015	Year 2016
Sale from Real Estate	140,791,704	110,739,063	85,939,720
Cost of Land	69,816,938	47,692,252	20,302,963
Percentage to revenue	49.589%	43,067%	23.625%

The Company has posted a net profit (after tax) of P25.524 Million in the nine (9) months period of 2016 as compared with the P29.497 million in 2015 of that same period

The deficit stands at P390.680 million and P424.519 million as of September 30, 2016 and 2015, respectively.

In Millions	September 30, 2015	September 30, 2016
Revenue	P34.966	P37.466
Direct Costs	8.930	15.736
Gross Profit Margin	P26.036	P21.730
Operating Expenses	11.177	10.907
Net Income before tax	P14.859	P10.823

Revenue generated during the 3rd quarter of 2016 represents share from sales of Joint Venture Project with SLRDI. The decrease in sales was the effect of marketing strategy being implemented by the Company which some of inventory is put on-hold to sell market awaiting for much better price

Liquidity and Capital Resources

The company posted net profit during the quarter a benefit from construction of the Clubhouse and Sports Center which the project engineer in-charge of the development has reported 98.87% complete as at end of September 30, 2016.

Particulars	September 30, 2015 (in Million)	September 30, 2016 (In Million)
Total assets as at end of	P1,521.417	P2,089.974
Total liabilities as at end of	P234.316	P303.739
Ratio of assets to liabilities	15.401%	14.533%
Financial Condition		
Cash and cash equivalent	P39.011	P93.162
Receivable	P299.289	P299.043
Real estate for sale & development	P1,126.517	P1,503.709
Property and equipment	P18.520	P15.579
Investment property	P5.444	P5.444
Recoverable tax	P29.137	P80.038
Other assets	13.650	P62.998
Stockholders' equity	P1,287.101	P1,756.235

The movement in cash and cash equivalent are attributable to the net cash flows used by the company in its regular operating activities.

Movement in receivables are attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivable.

The increase in land for sale & development is the result of land banking activity specifically the conclusion of acquisition of more or less 580,154 square meters of parcels of land located adjacent within existing property which form part of the consolidation process in preparation for the project expansion program being implemented. The movement in cost is net of cost of lots sold during the period.

The Company started land banking in year 2012, total land acquisitions as of September 30, 2016 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance payable
All in San Jose Del Monte, Bulacan				
GASDF Property	66,256	9,475,646	9,475,646	Fully paid
Don Manuel Corporation	410,377	78,201,917	78,201,917	Fully paid
BDO Strategic Holdings, Inc.	926,550	248,183,036	248,183,036	Fully paid
Marga Capital Holdings, Inc.	360,000	135,878,430	135,878,430	Fully paid
Subtotal	***1,763,583***	***471,739,030***	***471,739,030***	***-0-***
Rocha Dev't Corporation	119,543	32,912,600.00	Under negotiation	32,912,600.00
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	226,321,200.00	Under negotiation	226,321,200.00
Insular Life Insurance Company	581.154	430,474,268	199,863,053	230,611,215
Philippine National Bank	1,237,000	742,200,000	742,200,000	-0-
Subtotal	***2,653,743***	***1,535,258,068***	***942,063,053***	***593,195,015***
Total (San Jose Del Monte)	**4,422,926**	**2,006,997,096**	**1,413,802,083**	**593,195,015.00**
Add; Northern Luzon Area				
Manuel Bonoan	57,211	28,605,500	28,605,500	-0-
Almazan et. Al	225,752	61,032,240	32,464,280	28,567,960
	282,963	***89,637,740***	***61,069,780***	***28,567,960***
Total Land Banking	**4,705,889**	**2,096,634,838**	**1,474,871,863**	**621,762,975**

The decrease in property and equipment is brought about by the normal provision for an estimated depreciation using straight line method.

The increase in other assets is attributed to the recording of Output VAT from sale of subdivided lot net of Input VAT from purchase of local goods and services during the period and as well as deposits from Land Banking Activity.

The increase in accounts payable and accruals is attributed the balance of the cost of 580,154 square meters land payable until Year 2020 amounting to P230,611 million payable into four (4) equal installment. The movement is likewise attributable to regular accrual and deferred payments.

Related party transactions consist mainly of advances to officers and employees which are deductible from their salaries and are due within one year.

The increase in Stockholder's Equity is attributed to normal operational income in the real estate business started from commercial operation in year 2007.

Capital Expenditure

There were no capital expenditures for the period except for the land banking activity specifically the acquisition of land for use in project expansion.

Key Performance Indicators

The company operates in one business segment, the real estate. The Following Key performance Indicators were adopted by the corporation in order to measure the profitability of the company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the six (6) months period ending	September 30, 2015	September 30, 2016
Current Ration (1)	1.4438 : 1	1.2913 : 1
Debt to Equity Ratio (2)	1 : 0.1501	1 : 0.1557
Earnings per Share (3)	1 : 0.0189	1 : 0.0131
Earnings before Income Taxes (4)	P42.138 million	P36.430 million
Return on Equity	0.02292	0.01453

1) Current Assets / Current Liabilities
2) Total Liabilities / Stockholders' Equity
3) Net Income / Outstanding Shares
4) Net Income plus Interest Expenses and Provision for Income Tax
5) Net Income / Average Stockholder's Equity

Stockholders' Equity
-Total Stockholders' Equity in 2016 is P1,756,234,693.77 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

- Total Stockholders' Equity in 2015 is P1,287,100,852.74 (Issued and paid of 1,951,387,570.00 shares with P1.00 par value)

Other Matters

The interim financial report has been prepared in conformity with generally accepted accounting principles in the Philippines.

No disclosures nor discussions were made for the following since these did not affect the past and present operations of the Company:

a) No known trends, events or uncertainties with significant impact on net sales or income, except for the abovementioned "*ground-breaking project made by the national government for the launching of the construction of MRT 7 rail road project connection from Quezon City to Norzagaray, Bulacan*",this scenario gives positive signal for a much better trend in the real estate business in the northern portion of Metro Manila.

b) Significant elements of income or loss that did not arise from the Company's continuing operations other than what was mentioned in the revenues.

c) All accounting policies and methods of computation and estimates are followed in the interim financial statement as compared with the most recent annual financial statement report.

d) There were no seasonality or cyclicality aspects that have material effect on the financial statement and the financial condition or results of operations during the period.

e) There were no material commitments affecting assets, liabilities, equity, net income, or cash flows that are unusual during the interim financial report.

f) There were no nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that has material effect in the current interim period.

g) There were no issuances, repurchases and repayments of debt and equity securities, except for the payment of non-interest bearing payable obtained for the acquisition of two (2) parcels of land classified under "real estate for sale and development account" in the 2012 statement of financial position.

h) There were no dividends paid during the interim financial period.

i) The company is reporting with only one (1) accounting segment.

j) There were no material events that occurred during the subsequent to interim reporting period that have not been reflected in the financial statements, such as default or acceleration of an obligation or off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

k) There were no changes in the composition of the issuer during the interim period, No business combinations, acquisitions or disposal if subsidiaries and long-term investments, restructurings, and discontinuing operation during the interim period.

l) There were no changes in contingent liabilities or contingent asset was made during the interim period as compared with the most recent annual balance sheet date.

m) No disclosures in compliance with SEC MC No. 14, Series of 2004 specifically Certain Relationship and Related Transaction or Arrangements, as there were no such transactions during the period and or any subsequent event occurring after the close of accounting period with respect to a certain relationship or related transaction being required by SFAS/IAS No. 24.

n) There were no reclassification on Financial Instruments in the current reporting period and the previous periods.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as receivables, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and interest rate risk. As of September 30, 2018, the Company is not exposed to any significant foreign currency risk because all of its financial instruments are denominated in Philippine Peso. The BOD reviews and approves the policies for the management of each of these risks as summarized below.

Liquidity Risk

The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursement.

As of September 30, 2018

	On demand
Accounts payable & accrued expenses	138,919,634
Advances related parties	32,819,699
Liability from purchase of land	110,301,521
Income tax payable	8,507,739
Retirement benefits	22,509,628
Deferred income tax liabilities	21,518,430
Total	**235,601,012**

Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Concentrations arise when a number of counterparties are engaged in similar business activities or any activities in the same geographic region, or share similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company's principal credit risk is its dependence from one counter-party. The credit risk of the Company is controlled by the approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that credit transactions are made to parties with appropriate credit history and has internal mechanism to monitor granting of credit and management of credit exposures. The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company sets up provision for impairment of accounts receivables equal to the balance of long-outstanding accounts receivables. The balance of long-outstanding accounts receivables subjected to the full allowance for doubtful accounts amounted to ₱55.301 million and ₱55.301 million at end of September 30, 2018 and 2017, respectively.

Receivables-that are neither past due nor impaired are due from creditworthy counterparties with good payment history with the Company.

Cash with banks-Are deposits made with reputable banks duly approved by the BOD.

Interest Rate Risk- The Company's exposure to the risk pertains to bank loans. The Company relies on budgeting and forecasting techniques to address this risk.

Capital Management -The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the quarters ended September 30, 2018 and 2017.

The following table pertains to the account balance the Company considers as its core capital as at end of September 30, 2018

Capital stock	P1,951,387,570
Capital surplus	201,228,674
Total	P2,152,616,244

Fair Value of Financial Instruments-The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and Receivables-The carrying amounts of cash and receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments. In the case of long-term receivables, the fair value is based on the present value of expected future cash flows using the applicable discount rates. The discount rates used range from 6.45% to 5.66% in 2017and 5.66% to 5.66% in 2016.

PART II - OTHER INFORMATION

As of this date, the Company filed the following reports on SEC Form 17-C,

Date of Report	Item Reported
None	

SIGNATURES

Pursuant to the requirements of Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

ARANETA PROPERTIES, INC.
(Issuer)

By:

GREGORIO MA. ARANETA III
Principal Executive Officer

CRISANTO ROY B. ALCID
President

JOSE O. EUSTAQUIO III
Chief Financial Officer

Date signed October 23, 2018

ARANETA PROPERTIES, INC.

STATEMENTS OF FINANCIAL POSITION

	AS OF SEPTEMBER 30, 2018 un-audited	AS OF DECEMBER 31, 2017 audited	CHANGES INCREASED (DECREASED)
ASSETS			
Current Assets			
Cash and cash equivalents	P 36,645,004.18	P 27,080,674.02	P 9,564,330.16
Trade and other receivables	165,292,383.19	158,402,298.00	6,890,085.19
Due from related parties	(0.00)	20,922,876.19	(20,922,876.19)
Real Estate Inventories	851,398,167.55	859,601,308.00	(8,203,140.45)
Input Value-added Tax (VAT) - net	76,579,097.64	80,766,410.56	(4,187,312.92)
Prepayments	8,481,174.49	6,612,191.40	1,868,983.09
	P 1,138,395,827.05	P 1,153,385,758.17	P (14,989,931.12)
Non-current Assets			
Trade and other receivables	P 158,522,959.00	P 158,522,959.00	P -
Land held for future development	679,195,924.72	654,148,924.72	25,047,000.00
Property, plant and equipment	11,045,402.23	11,700,877.57	(655,475.34)
Investment Property	5,444,076.65	5,444,076.65	-
Available-for-sale (AFS) Investments	2,490,000.00	2,490,000.00	-
Other assets	(0.00)	4,483,114.50	(4,483,114.50)
	P 856,698,362.60	P 836,789,952.44	P 19,908,410.16
TOTAL ASSETS	P 1,995,094,189.65	P 1,990,175,710.61	P 4,918,479.04
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses	P 39,943,994.53	P 33,005,483.00	P 6,938,511.53
Advances from related parties	32,819,698.70	-	32,819,698.70
Liability for purchase of land	57,648,202.00	64,148,202.00	(6,500,000.00)
Income Tax Payable	8,507,738.78	-	8,507,738.78
	P 138,919,634.01	P 97,153,685.00	P 33,258,210.23
Non-current Liabilities			
Liability for purchase of land	P 52,653,319.25	P 110,306,123.00	P (57,652,803.75)
Accrued retirement benefit obligation	22,509,628.31	21,555,685.00	953,943.31
Deferred Income Tax Liabilities	21,518,430.02	21,518,430.02	-
	P 96,681,377.58	P 153,380,238.02	P (56,698,860.44)
	235,601,011.59	250,533,923.02	(23,440,650.21)
Stockholders' Equity			
Capital Stock:			
Issued and Paid			
(Authorized - 5 Billion shares at P1.00 par value)	1,951,387,570.00	1,951,387,570.00	-
Capital Surplus	201,228,674.12	201,228,674.12	-
Unrealized valuation of gain AFS investments	(30,000.00)	(30,000.00)	-
Actuareal Gain (Losses) on Retirement Benefits	(1,727,812.20)	(1,727,812.20)	-
Deficit	(391,365,253.86)	(411,216,644.33)	19,851,390.47
Total	1,759,493,178.06	1,739,641,787.59	19,851,390.47
TOTAL LIABILITIES *and* STOCKHOLDERS' EQUITY	P 1,995,094,189.65	P 1,990,175,710.61	P (3,589,259.74)
Net Book Value per Share	P 0.9017	P 0.8915	P -

10/18/2018 version1

ARANETA PROPERTIES, INC.
STATEMENT OF COMPREHENSIVE INCOME

	FOR THE NINE (9) MONTHS ENDED		FOR THE QUARTER ENDED	
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
REVENUES				
Income from JV company-Net	P 48,337,102.76	P 90,844,647.19	P 24,580,985.41	P 38,758,363.01
Accretion Interest Income	8,963,527.41	10,450,670.70	3,750,367.85	3,551,067.70
	57,300,630.17	101,295,317.89	28,331,353.26	42,309,430.71
EXPENSES				
Cost of sales	12,267,872.88	16,852,899.60	2,854,104.73	7,939,362.52
Salaries & wages	11,127,059.72	10,266,218.59	4,237,674.16	3,403,299.52
Employees welfare & benefits	68,720.86	48,306.06	63,720.86	16,274.22
Overtime pay	204,692.50	128,516.89	74,070.76	43,431.19
SSS, philhealth, EC & pag-ibig	385,030.52	407,066.68	125,511.04	121,975.50
13th month pay	1,348,896.23	1,781,365.50	466,219.68	747,311.85
Per diems and allowances	7,781,131.28	7,294,029.17	2,770,999.98	2,361,050.00
Security costs	8,039,828.22	6,783,775.41	1,721,551.71	1,831,619.62
Light, water and utilities	352,586.10	425,643.91	128,513.81	102,446.26
Repairs & maintenance	377,023.82	5,885,746.95	83,591.87	760,264.41
Medical, dental & hospitalization	252,240.75	73,803.27	178,900.32	54,821.58
Professional fees	1,135,648.36	807,986.74	164,707.20	147,470.58
Representation	664,415.95	4,850,230.64	29,517.74	279,016.11
Rental expenses	94,500.00	78,000.00	28,350.00	26,000.00
Taxes & licenses	8,304,507.02	7,733,838.17	4,268,921.51	1,642,810.08
Depreciation expense	2,408,883.37	2,485,440.47	759,011.45	818,947.51
Donations	20,000.00	202,078.18	-	2,078.18
Building dues & other charges	1,181,839.44	1,213,853.71	397,502.71	415,815.73
Gasoline, oil and lubes	245,048.07	695,695.43	99,848.29	68,322.98
Meals	142,340.25	110,729.73	50,745.70	42,821.19
Postage & telecommunication	501,493.06	399,867.35	201,468.05	144,111.95
Printing and office supplies	307,208.30	849,731.90	114,752.25	65,300.98
Transporation & travelling	327,683.64	733,688.98	111,577.72	614,350.98
Notarial and legal fees	38,500.00	25,911.05	34,100.00	18,000.00
Contractual costs	103,476.00	277,329.91	33,000.00	77,470.00
Insurance expense	11,149.92	34,631.99	696.88	1,645.00
Retirement benefits	1,064,250.00	1,064,250.00	354,750.00	354,750.00
Miscellaneous	165,996.84	546,610.01	84,623.71	37,443.75
	58,922,023.10	72,057,246.29	19,438,432.13	22,138,211.69
NET LOSS BEFORE OTHER INCOME	(1,621,392.93)	29,238,071.60	8,892,921.13	20,171,219.02
OTHER INCOME				
Interest & misc. income	29,980,522.18	440,857.90	462,652.02	384,184.09
	29,980,522.18	440,857.90	462,652.02	384,184.09
NET LOSS BEFORE INCOME TAX	28,359,129.25	29,678,929.50	9,355,573.15	20,555,403.11
PROVISION FOR INCOME TAX				
Current	8,507,738.78	8,771,421.48	2,806,671.95	6,051,365.71
	8,507,738.78	8,771,421.48	2,806,671.95	6,051,365.71
NET INCOME	P 19,851,390.47	P 20,907,508.02	P 6,548,901.20	P 14,504,037.40
WEIGHTED AVERAGE NO. OF SHARE	1,951,387,570	1,951,387,570.00	1,951,387,570	1,951,387,570.00
NET GAIN (LOSS) PER SHARE	0.01017	0.01071	0.00336	0.00743

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ARANETA PROPERTIES, INC.

COMPARATIVE CASH FLOWS

(In Ph Pesos)	FOR THE NINE (9) MONTHS ENDED SEPT. 30, 2018	SEPT. 30, 2017	FOR THE QUARTERS ENDED SEPT. 30, 2018	SEPT. 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	**19,851,390.47**	29,678,929.50	**11,544,159.85**	40,218,299.52
Add: Back Non-cash items				
Interest and Miscellaneos Income (net)	**29,980,522.18**	(6,819,628.74)	**29,956,793.78**	(258,394.24)
Depreciation	**2,408,883.37**	2,485,440.47	**1,596,470.23**	(847,938.29)
Retirement benefits	**1,064,250.00**	1,064,250.00	**709,500.00**	(354,750.00)
Interest expenses	**-**	-	**-**	-
Accretion Interest Income	**8,963,527.41**	(6,378,770.84)	**5,748,977.57**	-
Provision for doubtful accounts and other losses	**-**		**-**	-
Changes in operating assets and liabilities:				
Decrease (Increase) in:				
Receivables	**3,109,914.81**	(91,666,097.85)	**(4,743,966.87)**	(30,276,452.99)
Input VAT	**4,187,312.92**	(376,462.92)	**1,167,343.11**	(318,334.89)
Prepayments	**(1,868,983.09)**	173,173.53	**3,131,289.02**	(1,028,700.42)
Real Estate Inventories	**(25,047,000.00)**	15,193,035.87	**(30,480,026.49)**	6,976,505.34
Increase (Decrease) in:			**-**	-
Accounts Payable & Accruals	**43,736,030.80**	31,074,996.62	**48,550,514.96**	35,584,332.73
Net cash provided by (used in) operating activities	**86,385,848.87**	(25,571,134.36)	**67,181,055.16**	49,694,566.76
Miscellaneous revenue received	**(29,071,441.59)**	10,450,670.70	**(29,095,169.99)**	3,551,067.70
Income Taxes paid	**(4,035,585.51)**	8,771,421.48	**(475,343.81)**	6,051,365.71
Net cash provided by (used in) investing activities	**53,278,821.77**	(6,349,042.18)	**37,610,541.36**	59,297,000.17
CASH FLOW FROM INVESTING & OPERATING ACTIVITIES				
Land Held for future development	**(25,047,000.00)**	-	**(25,047,000.00)**	-
Decrease (Increase) in Property, Plant & Equipment	**1,682,498.94**	2,445,708.32	**930,353.65**	788,590.36
Decrease (Increase) in Real Estate for Sale & Devt	**-**	15,193,035.87	**(905,574.97)**	6,976,505.34
Decrease (Increase) in liability from purchase of land	**(57,652,803.75)**	-	**(57,652,803.75)**	-
Decrease (Increase) in other assets	**4,483,114.50**	4,354,320.58	**4,653,369.19**	5,267,096.51
Net cash provided by (used in) investing activities	**(76,534,190.31)**	21,993,064.77	**(78,021,655.88)**	13,032,192.21
CASH FLOW FROM FINANCING ACTIVITIES				
Advances related parties	**32,819,698.70**	-	**36,808,253.86**	-
Proceeds from issuance of new shares	**-**	-	**-**	-
Net cash provided by (used in) financing activities	**32,819,698.70**	-	**36,808,253.86**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,564,330.16**	15,644,022.59	**(3,602,860.66)**	72,329,192.38
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER	**27,080,674.02**	75,947,377.24	**40,247,864.84**	19,262,207.45
CASH AND CASH EQUIVALENTS AT QUARTER END	**36,645,004.18**	91,591,399.83	**36,645,004.18**	91,591,399.83

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ARANETA PROPERTIES, INC.

CASH AND CASH EQUIVALENT

		AS AT END OF	
		SEPTEMBER 30, 2018	DECEMBER 31, 2017
Cash on Hand			
Petty Cash fund		**10,437.95**	10,437.95
Revolving Fund (Bulacan field office)		**21,842.52**	21,842.52
	Total	***32,280.47***	*32,280.47*
Cash in Banks			
Cash in Bank - China Bank		**5,699,628.20**	4,640,440.73
Cash in Bank - CBC SFCDA		**155,426.88**	155,426.88
Cash in Bank - Banco de Oro		**10,612,810.72**	2,131,461.94
	Total	***16,467,865.80***	*6,927,329.55*
Short-term Placement			
CBC Special Savings Account		**4,774,627.76**	4,750,833.85
BDO Peso Money Mrkt Acct#304607854576		**15,370,230.15**	15,370,230.15
	Total	**20,144,857.91**	20,121,064.00
TOTAL		**36,645,004.18**	27,080,674.02

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ARANETA PROPERTIES, INC.

Receivables

	AS AT END OF	
	SEPTEMBER 30, 2018	DECEMBER 31, 2017
Accounts Receivable Trade	**320,598,619.66**	314,189,791.55
Installment Receivable, Discounted		
Impaired	**55,074,831.60**	55,074,831.60
Advances to suppliers, officers, employees & others		
Impaired	**3,216,722.53**	2,735,465.45
Unimpaired	**226,457.96**	226,457.96
	3,443,180.49	2,961,923.41
	379,116,631.75	*372,226,546.56*
Less: provision for doubtful account	**55,301,289.56**	55,301,289.56
	323,815,342.19	316,925,257.00
Less: noncurrent portion of trade receivable	**158,522,959.00**	158,522,959.00
Net	**165,292,383.19**	158,402,298.00

ARANETA PROPERTIES, INC.

SCHEDULE OF RECEIVABLE

As of SEPTEMBER 30, 2018

PARTICULARS	AMOUNT	COLLECTION / LIQUIDATION				REMARKS
		1 Months	15 Days	Overdue	Others	
Receivable from Joint Venture-SLRDI	36,720,143.26	2,161,473.32	2,377,620.65		32,181,049.29	Installment sales/Monthly amortization
Receivable from Joint Venture-Sland	31,557,627.32	3,102,944.48	2,551,472.24		25,903,210.60	Installment sales/Monthly amortization
Receivable from sale of reserved lot	93,797,890.08	1,033,456.69	1,136,802.36		91,627,631.03	Installment sales/Monthly amortization
Platinum Group Metals-Impaired	55,074,831.60			55,074,831.60	-	Under negotiation
Advances for liquidation	602,671.18	602,671.18			-	For liquidation
Salary loan of various employees	328,292.97	63,942.74	31,971.37		31,971.37	Payroll deduction
Others	2,512,216.34				2,512,216.34	Advances against retirements benefits
TOTAL	**220,593,672.75**	**6,964,488.41**	**6,097,866.62**	**55,074,831.60**	**152,256,078.63**	
ALLOW. FOR DOUBTFUL ACCT	55,301,289.56				55,301,289.56	
NET CURRENT RECEIVABLE	**165,292,383.19**	**6,964,488.41**	**6,097,866.62**	**55,074,831.60**	**96,954,789.07**	

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ARANETA PROPERTIES, INC.
Schedule of Prepayments

	Particulars	Date	As of SEPTEMBER 30, 2018	As of DECEMBER 31, 2017
Taxes and Licenses				
1)	Business Permit-Makati City	01.22.18	**210,797.73**	-
2)	Community Tax Certificate	01.12.18	**2,625.00**	-
3)	Barangay Clearance	01.11.18	**550.00**	-
4)	Real Property Tax-Manticao	02.27.18	**183,566.26**	-
5)	Business Permit-SJDB	01.12.18	**687,975.93**	-
6)	Real Property Tax-SJDB	01.10.18	**355,776.64**	0.00
7)	Real Property Tax-SJDB	01.30.18	**17,533.06**	-
8)	Real Property Tax-Manticao	01.10.18	**41,832.67**	-
9)	Real Property Tax-SJDB	01.10.18	**11,659.09**	-
10)	RPT Sn Jose del Monte Bulacan	01.10.18	**44,388.15**	-
11)	Philippine Stock Exchange	01.30.18	**90,483.28**	-
12)	Pre-paid Income Taxes	12.31.16	**6,598,036.29**	6,598,036.29
13)	Prepayment of RPT Laoag City	08.17.18	**141,065.14**	
			8,386,289.22	**6,598,036.29**
Other prepayment				
14)	Manila Polo Club		**40,000.00**	
15)	Prepaid Insurance	01.12.18	**7,665.65**	
16)	Alphaland Balesin (Until June 2018)	07.26.207	**47,219.62**	
			94,885.27	14,155.11
Total			**8,481,174.49**	6,612,191.40

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ARANETA PROPERTIES, INC.
Real Estate Inventories

	AS OF SEPTEMBER 30, 2018	AS OF DECEMBER 31, 2017
Real Estate Inventories		
Saleable house and lot Inventory	**6,221,669.87**	6,221,669.87
Land for Sale & Land Development	**845,176,497.68**	853,379,638.13
Saleable house and lot Inventory	**851,398,167.55**	859,601,308.00

Land Held for future development		
Undevelope land	**82,522,392.00**	82,522,392.00
Investments in Land (Acquired from GASDF Property)	**6,618,779.27**	6,618,779.27
Investments in Land (Acquired from Universal Rightfield)	**78,201,917.21**	78,201,917.21
Investments in Land (acquired from BDOSHI)	**248,183,035.71**	248,183,035.71
Investments in Land (acquired from Marga)	**104,671,995.50**	104,671,995.50
Investments in Land (acquired from Insular 850,154 sq.m.)	**384,352,025.00**	384,352,025.00
Investments in Land (acquired from Bonoan 57,211 sq.m.)	**31,180,002.50**	31,180,002.50
Investments in Land (Almazan's 116,576 sq.m.)	**29,600,000.00**	29,600,000.00
Investments in Land (Almazan's 169,904 sq.m.)	**31,432,240.00**	31,432,240.00
Investments in Land	**36,725,944.82**	11,678,944.82
Total	**1,033,488,332.01**	1,008,441,332.01
Reclassed to Real Estate Inventories	**354,292,407.29**	354,292,407.29
Net	**679,195,924.72**	654,148,924.72

ARANETA PROPERTIES, INC.

PROPERTY PLANT & EQUIPMENT

	AS OF SEPTEMBER 30, 2018	AS OF DECEMBER 31, 2017
PPE COSTS DATA		
Building	**46,047,003.73**	46,047,003.73
Building Improvements	**12,143,397.88**	12,143,397.88
Building and Plant Structures	**3,146,943.13**	3,146,943.13
Transporation Equipment	**8,578,785.51**	7,065,297.12
Heavy Machinery Equipment	**4,486,928.72**	4,486,928.72
Other Tools & Equipment	**509,894.72**	421,001.86
Communication Equipment	**2,811,030.30**	2,811,030.30
Office Furniture & Equipment	**6,377,209.98**	6,297,092.29
Total	**84,101,193.97**	82,418,695.03
DEPRECIATION DATA		
Building	**38,189,782.05**	36,808,370.96
Building Improvements	**12,143,397.88**	11,926,058.93
Building and Plant Structures	**2,359,088.68**	2,264,680.39
Transporation Equipment	**6,969,181.40**	6,476,543.04
Heavy Machinery Equipment	**4,486,928.72**	4,486,928.72
Other Tools & Equipment	**406,572.03**	402,310.17
Communication Equipment	**2,760,843.75**	2,727,462.04
Office Furniture & Equipment	**5,739,997.23**	5,625,463.21
Total	**73,055,791.74**	70,717,817.46
NET BOOK VALUE		
Building	**7,857,221.68**	9,238,632.77
Building Improvements	**-**	217,338.95
Building and Plant Structures	**787,854.45**	882,262.74
Transporation Equipment	**1,609,604.11**	588,754.08
Heavy Machinery Equipment	**-**	-
Other Tools & Equipment	**103,322.69**	18,691.69
Communication Equipment	**50,186.55**	83,568.26
Office Furniture & Equipment	**637,212.75**	671,629.08
Total	**11,045,402.23**	11,700,877.57

ARANETA PROPERTIES, INC.

SCHEDULE OF OTHER ASSETS

	AS OF SEPTEMBER 30, 2018	AS OF DSECEMBER 31, 2017
Investments Property (Manticao Property)	**5,444,076.65**	5,444,076.65
(AFS) Investments Available for Sale - Net		
Subic Yacth Club Shares	**1,500,000.00**	1,500,000.00
Tagaytay Highlands	**1,000,000.00**	1,000,000.00
Alphaland Balesin Island Club, Inc.	**1,000,000.00**	1,000,000.00
Colinas Country Club, Inc.	**700,000.00**	700,000.00
Total	**4,200,000.00**	4,200,000.00
Allow for Decline AFS Investments	**1,710,000.00**	1,710,000.00
Net	**2,490,000.00**	2,490,000.00
Deposits from land banking activies	**(0.00)**	4,483,114.50

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ARANETA PROPERTIES, INC.

SCHEDULE OF LIABILITIES

	AS OF SEPTEMBER 30, 2018	AS OF DECEMBER 31, 2017
ACCOUNTS PAYABLE & ACCRUALS		
Accounts Payable to Suppliers	27,141,254.52	20,919,606.86
Advances from related parties	32,819,698.70	-
SSS Salary Loan Payable	20,626.81	26,302.64
Pag-ibig Salary Loan Payable	33,945.91	29,446.85
Pag-ibig Fund Contribution	9,000.00	8,900.00
SSS, Medicare & EC Payable	51,089.62	47,630.00
Philhealth Payable	13,365.34	14,100.00
Withholding Tax Payable	329,720.43	281,881.16
Retentions & Deposits	5,539,963.05	5,539,963.05
Accrued Operating	6,805,028.85	6,137,652.44
	72,763,693.23	*33,005,483.00*
LIABILITY FOR PURCHASE OF LAND-current	*57,648,202.00*	*64,148,202.00*
LIABILITY FOR PURCHASE OF LAND-noncurrent	*52,653,319.25*	*110,306,123.00*
ACCRUED RETIREMENT BENEFITS	*22,509,628.31*	*21,555,685.00*
DEFERRED INCOME TAX LIABILITIES	*21,518,430.02*	*21,518,430.02*
INCOME TAX PAYABLE	*8,507,738.78*	-
TOTAL	235,601,011.59	250,533,923.02

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ARANETA PROPERTIES, INC.

STATEMENT OF CHANGES IN EQUITY

	AS AT END OF	
	SEPTEMBER 30, 2018	**SEPTEMBER 30, 2017**
Balance at December 31,	**1,951,387,570.00**	1,951,387,570.00
Add: Capital surplus	**201,228,674.12**	201,228,674.12
Unrealized valuation of gain on AFS Investments	**(30,000.00)**	(120,000.00)
Actuareal gain (losses) on retirement benefits	**(1,727,812.20)**	(3,837,580.00)
Total	**2,150,858,431.92**	2,148,658,664.12
Deficit as at December 31,	**(411,216,644.33)**	(400,556,995.46)
Net Income for the Nine (9) months ended September 30	**19,851,390.47**	20,907,508.02
Balances	**1,759,493,178.06**	1,769,009,176.68

	AS AT END OF	
	SEPTEMBER 30, 2018	**SEPTEMBER 30, 2017**
Balance at December 31,	**1,951,387,570.00**	1,951,387,570.00
Add: Capital surplus	**201,228,674.12**	201,228,674.12
Unrealized valuation of gain on AFS Investments	**(30,000.00)**	(120,000.00)
Actuareal gain (losses) on retirement benefits	**(1,727,812.20)**	(3,837,580.00)
Total	**2,150,858,431.92**	2,148,658,664.12
Deficit as at December 31,	**(411,216,644.33)**	(400,556,995.46)
Net Income for the quarter ended March 31	**6,864,218.44**	3,807,884.14
Net Income for the quarter ended June 30	**6,438,270.83**	2,595,586.48
Net Income for the quarter ended September 30	**6,548,901.20**	14,504,037.40
Balances	**1,759,493,178.06**	1,769,009,176.68