



Financial Results & Overview for the
Year Ended 31 December 2016
Friday, 24 February 2017

Financial Summary

Net Loss After Tax/Distribution Statement

RNY

- Headline result of A\$50.6 million RNY net loss after tax for year end 2016 vs. A\$66.2 million net loss after tax for 2015
 - Adjusted Trust Net Loss after Tax (A-NPAT) of A\$1.7 million loss vs. A\$933 thousand loss for 2015
- Distributable earnings for the period of A\$1.8 million vs. A\$2.7 million the year prior being retained for capital expenditures

	Period ended 31 December 2016		Period ended 31 December 2015	
	(A\$ in 000's) ⁽¹⁾	(cents per unit)	(A\$ in 000's) ⁽¹⁾	(cents per unit)
Net Loss From US LLC	(48,142)		(63,462)	
Expenses of US REIT/Trust	(2,450)		(2,745)	
Net Loss After Taxes	(50,592)	(19.21)	(66,207)	(25.13)
Less: Gain on Remeasurement of Mezzanine Loan	(16,229)		0	
Add: Property Fair Value Adjustments ⁽²⁾	65,125		65,274	
Adjusted Net Loss After Taxes ⁽³⁾	(1,696)	(0.64)	(933)	(0.35)
Add: Mortgage Cost Amortisation	1,960		1,080	
Add: Amortisation of Deferred Leasing Costs	1,917		2,580	
Less: Straight-Line Income Adjustments	(376)		(5)	
Distributable Earnings	\$1,805	0.69	\$2,722	1.03
Less: Earnings Retained to Fund Capital Expenditures	(1,805)		(2,722)	
Distribution to Unitholders	\$0	0.00	\$0	0.00

(1) Income statement foreign exchange rate of A\$0.7443 at 31 December 2016 and A\$0.7524 at 31 December 2015

(2) Net of capitalized additions

(3) Adjusted Trust NPAT (A-NPAT) is a non-IFRS figure that, in the opinion of the Board of Directors, provides a more appropriate representation of the operating performance of the underlying portfolio.

Financial Summary

Summary Balance Sheet

RNY

- Net valuation decrease to Trust operating properties during the year of US\$58.1 million (A\$75.8 million)
 - Trust's share of this adjustment was US\$43.6 million (A\$56.9 million), equating to a decrease of 16.5% from 31 December 2015
- Period-end gearing ratio of 85.9% vs. 75.8% at 31 December 2015

	<u>At 31 December 2016</u>	<u>At 31 December 2015</u>
	(A\$ in 000's) ⁽¹⁾	(A\$ in 000's) ⁽¹⁾
Total Assets	\$51,202	\$99,153
Total Liabilities	(\$7,908)	(\$6,835)
Net Assets (A\$)	\$43,294	\$92,318
Add: Adjustment for Fair Value of Derivative	244	970
Net Tangible Asset (NTA) (A\$)	\$43,538	\$93,288
Units on Issue	263,413,889	263,413,889
NTA Per Unit	\$0.16	\$0.35
Closing Price	\$0.03	\$0.28
Equity Market Capitalisation	\$7,902,417	\$73,755,889
Gearing Ratio	85.9%	75.8%

(1) Balance sheet foreign exchange rate of A\$0.72 at 31 December 2016 and A\$0.73 at 31 December 2015

Property Revaluations

RNY

All figures in US\$ unless noted

- Management revalued the portfolio at 31 December 2016. As part of the revaluation, the Trust engaged Cushman & Wakefield to perform appraisals of seven of the Trust's properties, while the remaining assets were valued based on contractual sale prices. The table below summarizes the changes to the Trust's share of fair value (all figures in chart below are in US\$000's):

Region	31-Dec	30-Jun	Change from 30 June 2016		31-Dec	Change from 31 December 2015	
	2016	2016	US\$	%	2015	US\$	%
Total Long Island	71,006	65,888	5,118	7.8%	70,688	318	0.4%
Total New Jersey	38,100	45,675	(7,575)	(16.6%)	48,900	(10,800)	(22.1%)
Total Westchester	63,454	76,500	(13,046)	(17.1%)	79,050	(15,596)	(19.7%)
Total Connecticut	35,775	51,563	(15,788)	(30.6%)	53,250	(17,475)	(32.8%)
Total Portfolio	<u>208,335</u>	<u>239,626</u>	<u>(31,291)</u>	<u>(13.1%)</u>	<u>251,888</u>	<u>(43,553)</u>	<u>(17.3%)</u>

Note: Represents RNY's 75% interest. Prior periods have been adjusted to exclude 200 Broadhollow Road sold on 30 June 2016 and 300 Motor Parkway on 12/20/2016

- Average per square foot value of the Trust's share of the portfolio was US\$98
- An average terminal cap rate of 8.02% was used in the valuation of the 7 assets that were appraised as of 31 December 2016
- NTA decreased in US dollars from US\$0.20 to US\$0.12 and decreased from A\$0.27 at 30 June 2016 to A\$0.16 per unit at period end

Summary Debt Information

At 31 December 2016

RNY

All figures in US\$ unless noted

	Balance (000's)	31 December 2016 Valuations (000's)	Weighted Average Interest Rate	Maturity Date	DSCR ⁽¹⁾	31 December 2016 Occupancy	31 December 2015 Occupancy
ACORE Pool ⁽²⁾	75,538	100,000	5.24%	Feb. 2019	1.30	71.4%	68.9%
ISB Pool	26,628	30,200	4.25%	Jul 2017	1.72	71.7%	74.1%
SunTrust/TL Pool - Senior	114,524	147,580	5.28%	May 2017	1.17	80.0%	80.1%
SunTrust/TL Pool - Mezz ⁽³⁾	48,910	N/A	14.00%	May 2017	N/A	N/A	N/A
Total/Weighted Average	265,600	277,780	6.77%		1.26	74.5%	74.9%

➤ Suntrust/Torchlight

- Six (6) of the seven (7) remaining assets are currently under contract to be sold, as required by the loan documents
- Anticipate loan amendments with both Suntrust and Torchlight to be executed in early 2017 to allow additional time for closings
- Wrote down Torchlight debt by \$16.1 million to reflect anticipated payoff amount

➤ ISB

- Executed an Extension Agreement in January 2017 providing for a loan maturity extension through 1 July 2017. The agreement allows for an additional extension through October 1, 2017 provided both 300 Executive and 710 Bridgeport are under contract to be sold. Up to \$650,000 in shortfall from the anticipated sale of 300 Executive can be deferred to the principal balance of 710 Bridgeport

➤ ACORE

- Agreed to terms on a loan amendment which will provide for the immediate sale of 10 Rooney and 555 White Plains Road
- Currently in discussions with lender regarding net worth and liquidity covenants under the Loan documents as the US LLC does not currently meet the requirements, which could be an Event of Default if not cured within the cure period

(1) Based on interest paid; excludes accruals

(2) Interest rate is floating. Rate shown above reflects the rate in effect at 31 December 2016

(3) The mezzanine balance includes accrued interest in the amount of \$12.9 million at 31 December 2016

Property Sales Update

RNY

All figures in US\$ unless noted

- Of the 14 assets we targeted for sale by early to mid-2017, we sold 3 and currently have signed contracts on 9 others. The total aggregate gross sales price for these 12 assets is \$132.6 mm (representing an 18.4% discount relative to 30 June valuations).
 - As for the other two assets, we are currently marketing 710 Bridgeport Avenue but holding off on marketing 492 River Road in consultation with our lenders
 - We were working on lease transactions at both assets that would have enhanced the marketability of those assets but unfortunately neither transaction was consummated
 - 3 of the 9 assets under contract have non-refundable deposits, with anticipated closing dates for all 9 assets ranging from mid-March through mid-April

	Loan Pool	Gross PSA Sales Value	30-Jun-16 Valuations	Variance vs Valuation	
				\$	%
<i>Sold Assets</i>					
300 Motor Parkway	ISB	\$5,072,500	\$5,075,000	(\$2,500)	(0.0%)
35 Pinelawn Drive	ST/TL	15,375,000	13,600,000	1,775,000	13.1%
150 Motor Parkway	ST/TL	21,000,000	17,700,000	3,300,000	18.6%
<i>Assets Under Contract</i>					
100 Executive Drive	ST/TL	2,200,000	3,750,000	(1,550,000)	(41.3%)
200 Executive Drive	ST/TL	3,300,000	5,450,000	(2,150,000)	(39.4%)
660 White Plains Road	ST/TL	30,005,000	38,600,000	(8,595,000)	(22.3%)
80 & 100 Grasslands Road ⁽¹⁾	ST/TL	15,900,000	21,500,000	(5,600,000)	(26.0%)
225 High Ridge Road	ST/TL	24,000,000	37,150,000	(13,150,000)	(35.4%)
300 Executive Drive	ISB	6,500,000	7,800,000	(1,300,000)	(16.7%)
555 White Plains Road	ACORE	5,900,000	8,700,000	(2,800,000)	(32.2%)
10 Rooney Circle ⁽²⁾	ACORE	3,330,606	3,200,000	130,606	4.1%
Total	12	\$132,583,106	\$162,525,000	(\$29,941,894)	(18.4%)

(1) High bid for 80 & 100 Grasslands received as one bid for \$15.9 mm for both assets.

(2) Gross PSA Sales Value includes anticipated credit to seller at closing of \$330,606.

Sale Update by Debt Pool

RNY

All figures in US\$ unless noted

➤ SunTrust/Torchlight

- We sold two assets and have executed sales contracts for 6 of the remaining 7 assets
- 492 River Road will not be brought to market unless an early renewal is executed with BT Radianz
- Utilizing the sales contract values for all assets under contract and the 31 December 2016 appraisal value for 492 River Road results in a total gross sales value for the pool of \$147.6 mm
 - The total gross sales value is insufficient to cover all sales costs and outstanding debt, resulting in no anticipated equity value projected for this loan pool
 - » As a result, Torchlight Mezzanine Loan was written down by \$16.1 million at 31 December

➤ ISB

- After selling 300 Motor Parkway in December, there are two ISB assets remaining – 300 Executive Drive which has a signed contract, and 710 Bridgeport which we are actively marketing
 - 300 Executive Drive is anticipated to close in March.
 - Interest in 710 Bridgeport from potential purchasers has been positive; initial bids are anticipated at the end of February
- In January we executed a loan amendment with ISB that extended the loan until 1 July 2017, with an additional extension option to 1 October 2017 if both assets have executed contracts.
 - The amendment also allows for the shortfall anticipated at sale of 300 Executive relative to the in-place debt to be allocated to the principal balance at 710 Bridgeport
- Utilizing the 31 December valuations for 300 Executive Drive and 710 Bridgeport results in a projected equity value for the loan pool of US\$3.6 mm

Sale Update by Debt Pool (continued)

RNY

All figures in US\$ unless noted

➤ ACORE

- We have executed sales contracts for 2 of the 7 remaining ACORE loan pool assets
- We began discussions with 3rd party brokers and anticipate bringing the other 5 assets to market in the 2Q 2017 in order to have the assets sold in early 4Q 2017, thereby avoiding prepayment costs and allowing for the continued lease-up of the assets
- We are close to having an executed loan amendment that allows for the sale of 555 White Plains Road which is required given the anticipated net sales proceeds are lower than the required release price
 - Complicating the loan amendment, however, is the fact that the US LLC no longer meets the net worth and liquidity requirements under the loan documents, primarily due to the decrease in 31 December 2016 valuations to reflect the signed sales contract values.
 - » This could lead to an event of default under the loan documents if the borrower fails to cure this violation
 - » We are in active discussions with the lender to address this issue
- Utilizing the 31 December valuations for the remaining 5 assets results in a projected equity value for the loan pool of \$24.8 mm

➤ Overall projected equity value of \$28.1 mm based on 31 December valuations, excluding property sale/misc costs

- Trust's share of above projected equity value equates to A\$29.4 mm
- Balance sheet equity of A\$43.5 mm reflects other assets such as financing costs/prepaid assets that amortize over time
 - Balance sheet also includes cash and escrows on SunTrust/Torchlight pool that collateralize the loan

2016/2017 Leasing Activity

RNY

All figures in US\$ unless noted

- Signed 403,826 square feet of leases for the full year 2016, including 64,168 square feet of new leasing and 339,658 square feet of renewals
 - During the second half of 2016, we signed 181,771 square feet of leases, including 41,977 square feet of new leases and 139,794 square feet of renewals

- Achieved a renewal rate of 84.4% during 2016

- Excluding assets sold during 2016, portfolio occupancy decreased to 74.5% at year-end, compared to 75.2% at 2Q16 and 74.9% at year-end 2015

- Year-to-date in 2017, (excluding activity at properties held for sale), we signed a 103,500 square foot renewal and 20,054 square foot expansion with Lockheed Martin at 55 Charles Lindbergh Blvd.
 - Other activity includes roughly 1,700 square feet of new deals and 22,000 square feet of renewals signed
 - We also have leases out for approximately 5,300 square feet of new deals and 11,000 square feet of renewals, and proposals totaling another 26,000 square feet

- Management intends to continue actively pursuing its strategic monetary plan to maximize the value of the units in this challenging sales market
 - 3 assets already sold and 9 under contract and expected to close by end of April
 - Well-known brokers were engaged and assets were widely-marketed
 - In discussions with lenders re loan amendments to allow more time for closings
 - Subdued investor appetite and lack of institutional interest for suburban office prove challenging re pricing
 - Bidders, buyers are local, real-estate types; no institutional bidders
- Of 7 remaining assets
 - 710 Bridgeport currently being marketed,
 - In discussions with lender regarding how to proceed with 492 River Rd
 - With regards to remaining 5 ACORE assets
 - Expect to engage brokers in March or April
 - Plan to market such assets starting in 2Q 2017 with goal of selling in 4Q 2017 after loan prepayment penalties expire
 - In discussions with lender regarding modification/cure of covenant violations to avoid an Event of Default
- Cash Management
 - Unrestricted cash on US LLC's books of approximately US\$4.3 million as of 31 December
 - Continue to be disciplined with respect to capital outlays, investing only where required or where we get an immediate return on invested dollars
 - We will continue to conserve cash by holding back on distributions to unitholders



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Certain statements herein relate to the Trust's future performance ("forward looking statements"). Although RAML believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.