



Financial Results & Overview for the
Half Year Ended 30 June 2017
Friday, 11 August 2017

- Since beginning to sell assets in spring of 2016, we sold 14 of the 20 assets in the portfolio for total gross proceeds of over US\$165.6 million, allowing the US LLC to fully repay two of the four loans collateralizing the portfolio
 - Bids have also been received on five of the six remaining assets
- Cooperation from all four lenders was required in order to sell assets, and approximately ten loan amendments were executed in the past 18 months that provided the flexibility to pursue these asset sales
- The sales process, anticipated to conclude in Q4 2017, will result in the full wind up of the Trust
 - After reserving for liabilities and expenses, net distribution to RNY Unitholders is estimated between \$A0.015 to \$A0.019 per unit
- RXR has shown unwavering commitment to this portfolio over the past 12 years as the largest unitholder
 - Increased its interest in 2008 with the purchase of approximately 19.5% of the public units, and again in 2014 with the acquisition of an additional interest in the indirect 25% owner
 - Resulted in RXR owning a direct and indirect interest of nearly 30% in the portfolio, which it continues to hold
 - Management created significant value for unitholders over the first 3 years
 - Unfortunately, the GFC and structural shifts in the NY suburban office markets took a toll thereafter
 - Stayed the course of “Hold and operate” over the past 9 years, but the expected market recovery never materialized

Snapshot of the Trust

RNY

- The Trust currently owns a 75.0% interest in 6 remaining assets
 - There is no equity in the remaining assets, based on indicative bids received to date versus the debt on the assets
- 5 ACORE assets – current bid prices (in total) are approximately US\$2.0 million less than the debt after accounting for closing costs and the release of outstanding reserve balances
 - As a result of the bids received for the assets, the lender has asserted various remedies regarding limited guarantees under the loan docs
 - We disagree with the amount that the lender is claiming under the guarantees
 - The loan remains in default and lender has the right to start foreclosure proceedings
 - We are in discussions with the lender and have an agreement in principle to settle. Such agreement is contingent on the unitholder vote
- 492 River Road – valued at US\$35.8 million, but encumbered by debt and accrued interest of US\$53.8 million
 - Lender has agreed to pay US LLC a 0.6% fee based on sale price to sell such asset if US LLC can complete a lease extension with the tenant, with such fee inuring to the benefit of the equity holders of the US LLC including unitholders in the Trust
- RAML's plan is to i) resolve ACORE lender's claims, ii) determine best course of action (sell or transfer assets to lender), iii) wind-up entity, and iv) distribute any remaining cash to unitholders
 - We believe this is the best option available to unitholders in a difficult NY Tri-State suburban office market which has never fully recovered from the global financial crises
 - Various trends and shifts in NYC and the surrounding suburbs have made such a recovery challenging
 - Buyers require risk weighted returns higher than expected
 - Including the proceeds from the recent sale of 710 Bridgeport, there is currently a cash balance of approximately US\$10.3 million (before reserves) available to the US LLC
 - After reserving for liabilities and expenses net distribution to RNY unitholders is estimated between \$A0.015 to \$A0.019 per unit
 - Executive Directors/RXR are aligned with the unitholders, as they own (i) 19.6% of publicly traded units, and (ii) a majority of the 25% interest in the portfolio not held by the Trust (held with an institutional investor)
 - We agreed to a waiver of asset management fees above costs, including approximately US\$659 thousand of deferred fees as of 30 June 2017 if RAML remains the Responsible Entity for the Trust

Snapshot of the Trust (cont'd)

RNY

➤ Alternative Strategy:

- Recapitalization and Refinancing:
 - Would require an equity raise
 - » Dilution of unitholders who don't participate
 - » Unlikely to raise sufficient funds required for ongoing capex and leasing costs
 - Would require current lender's consent
 - Refinancing the assets is unlikely to succeed due to:
 - » Current leverage is in excess of indicative valuations obtained from unrelated third party buyers
 - » Operating cash flow would be insufficient to service debt

➤ Aurora's strategy & claims:

- Aurora has not indicated that they have experience managing NY real estate
- Aurora has no relationships with our current lenders, and has not indicated any expertise in handling troubled real estate assets
- Aurora first sent a request for a unitholder meeting in February 2017, which they subsequently withdrew once we explained that the majority of the cash on the US LLCs balance sheet was under lender control and that the best strategy was to market the assets for sale
 - Aurora had an opportunity to bid on the assets if they believed the assets were undervalued
- Given the current market cap of RNY is approximately A\$2.6 million, Aurora could make a tender offer for all the units if they still believe the assets are undervalued
- Aurora's plan not feasible
 - Does not consider cross collateralization of loans or liquidity required to recapitalize assets

Financial Summary

Net Loss After Tax/Distribution Statement

RNY

- Headline result of A\$24.2 million RNY net loss after tax for 1H 2017 vs. A\$19.2 million net loss after tax for same period 2016
 - Adjusted Trust Net Loss after Tax (A-NPAT) of A\$5.4 million loss vs. A\$545 thousand loss for same period 2016
- Distributable loss for the period of A\$5.3 million vs. earnings of A\$1.7 million for the same period 2016

	Period ended 30 June 2017		Period ended 30 June 2016	
	(A\$ in 000's) ⁽¹⁾	(cents per unit)	(A\$ in 000's) ⁽¹⁾	(cents per unit)
Net Loss From US LLC	(23,290)		(17,994)	
Expenses of US REIT/Trust	(904)		(1,200)	
Net Loss After Taxes	(24,194)	(9.18)	(19,194)	(7.29)
Less: Gain on Remeasurement of Mezzanine Loan	(2,910)		0	
Add: Property Fair Value Adjustments ⁽²⁾	21,739		18,649	
Adjusted Net Loss After Taxes ⁽³⁾	(5,365)	(2.04)	(545)	(0.21)
Add: Mortgage Cost Amortisation	537		1,067	
Add: Amortisation of Deferred Leasing Costs	440		1,133	
Less (Add): Straight-Line Income Adjustments	(891)		40	
Distributable (Loss) Earnings	(\$5,279)	(2.00)	\$1,695	0.64
Less: Earnings Retained to Fund Capital Expenditures	0		(1,695)	
Distribution to Unitholders	\$0	0.00	\$0	0.00

(1) Income statement foreign exchange rate of A\$0.7545 at 30 June 2017 and A\$0.7337 at 30 June 2016

(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 1H 2017 of US\$20.7 million (A\$26.8 million)
 - Trust's share of this adjustment was US\$15.5 million (A\$20.1 million), equating to a decrease of 13.7% from 31 December 2016
- Period-end gearing ratio of 91.1% vs. 85.9% at 30 June 2016

	<u>At 30 June 2017</u>	<u>At 31 December 2016</u>
	(A\$ in 000's) ⁽¹⁾	(A\$ in 000's) ⁽¹⁾
Total Assets	\$19,074	\$51,202
Total Liabilities	(\$7,540)	(\$7,908)
Net Assets (A\$)	\$11,534	\$43,294
Add: Adjustment for Fair Value of Derivative	-	244
Net Tangible Asset (NTA) (A\$)	\$11,534	\$43,538
Units on Issue	263,413,889	263,413,889
NTA Per Unit	\$0.04	\$0.17
Closing Price	\$0.03	\$0.03
Equity Market Capitalisation	\$7,902,417	\$7,902,417
Gearing Ratio	91.1%	85.9%

(1) Balance sheet foreign exchange rate of A\$0.77 at 30 June 2017 and A\$0.72 at 31 December 2016

Property Revaluations

RNY

All figures in US\$ unless noted

- Management revalued the remaining assets at 30 June 2017, based on either: i) contractual sale prices, or ii) discounted cash flow models in line with indicative bids received for assets currently being marketed. 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	30-Jun 2017	31-Dec 2016	Change from 31 December 2016		30-Jun 2016	Change from 30 June 2016	
			US\$	%		US\$	%
Total Long Island	39,600	43,725	(4,125)	(9.4%)	42,413	(2,813)	(6.6%)
Total New Jersey	26,850	26,850	-	0.0%	30,525	(3,675)	(12.0%)
Total Westchester	11,325	24,600	(13,275)	(54.0%)	24,900	(13,575)	(54.5%)
Total Connecticut	19,688	17,775	1,913	10.8%	23,700	(4,013)	(16.9%)
Total Portfolio	97,463	112,950	(15,488)	(13.7%)	121,538	(24,075)	(19.8%)

Note: Represents RNY's 75% interest. Prior periods have been adjusted to exclude properties sold as of 30 June 2017.

- Average per square foot value of the portfolio was US\$93 as of 30 June 2017
- NTA decreased in US dollars from US\$0.12 to US\$0.03 and decreased from A\$0.16 at 31 December 2016 to A\$0.03 per unit at period end

Property Revaluations (cont.)

RNY

All figures in US\$ unless noted

- The current high bids for the ACORE assets represent a 26.0% discount from 12/31/16 appraisal valuations, which we believe is due primarily to significantly higher purchaser return requirements than the 3rd party appraisals had assumed, and the lack of outlier high bids often seen in suburban office sales
 - In many of the Trust's previous asset sales and as commonly seen in the relatively thin investment sales market for non-trophy suburban office market, assets are often purchased by an outlier high bidder whose bid was often driven by tax, geographic, or other unique circumstances
 - For the majority of the remaining ACORE assets, this outlier high bidder has not materialized
 - A historical lack of sales transactions for comparable products have also made it difficult to assess the return requirements for buyers of non-trophy suburban office assets in our markets
- We compared the unlevered cash flow projections assumed in the 3rd party appraisals to the cash flow projections contained in the sales marketing materials and found that:
 - Over an assumed 10 year hold period, the total unlevered cash flows for the remaining five ACORE assets was \$63.0 million in the appraisals, and \$62.0 million in the marketing materials, a variance of 1.5%, **suggesting cash flow assumptions were not the primary cause for the variance in 3rd party appraisal valuations versus the high bids received**
- Next, we determined the implied IRR based on the high bid amounts, keeping the 7.94% weighted average reversion cap rate assumed in the 3rd party appraisals constant
 - The resulting IRR is approximately 14.5%, as compared to the weighted average discount rate assumed in the 3rd party appraisals of 8.4%, **suggesting a 600 bps increase in return requirements for purchasers compared to the 3rd party appraisal assumptions**

5 Remaining ACORE Assets	Bldg. Size (SF)	12/31/2016 Valuations	PSF	Per Appraisals		Current High Bids	PSF	Implied Discount Rate ⁽¹⁾	Discount Rate Variance (bps)
				Discount Rate	Cap Rate				
6800 Jericho/6900 Jericho				7.93%	7.50%			13.68%	575
560/580 White Plains Road				9.16%	7.92%			17.66%	850
55 Charles Lindbergh Blvd				8.00%	8.50%			13.00%	500
Sum/Wtd. Avg.	821,332	\$90,900,000	\$111	8.38%	7.94%	\$67,000,000	\$82	14.47%	609

(1) Assumes same 7.94% weighted average cap rate as was assumed in the 12/31/16 appraisals

Property Sales Update

RNY

All figures in US\$ unless noted

- Over the past 18 months we sold 14 assets for an aggregate gross sales price of US\$165.6 million, which were in excess of the year end valuations by approximately US\$0.5 million

			Gross PSA ⁽¹⁾		December 31st ⁽¹⁾		Variance vs Valuation		
	Loan Pool	SF	Sales Value	PSF	Valuations	PSF	\$	%	Sale Status / Comments
Sold Assets - 2016									
200 Broadhollow Road	ACORE	68,952	\$9,150,000	133	N/A		—	—	Sold 30-Jun-16, \$6.1 mm of senior loan repaid
300 Motor Parkway	ISB	59,383	\$5,072,500	85	N/A		—	—	Sold 19-Dec-16, \$2.5 mm net proceeds received
Total Sold - 2016	2		\$14,222,500						
Sold Assets - 2017									
35 Pinelawn Drive	ST/TL	110,874	\$15,375,000	139	\$15,375,000	139	—	—	Sold 19-Jan-17, \$14.9 mm of senior loan repaid
150 Motor Parkway	ST/TL	184,391	21,000,000	114	21,000,000	114	—	—	Sold 8-Feb-17, \$21.1 mm of senior loan repaid
660 White Plains Road	ST/TL	254,041	30,005,000	118	30,005,000	118	—	—	Sold 9-Mar-17, \$28.8 mm of senior loan repaid
80 Grasslands Road	ST/TL	87,055	7,950,000	91	7,950,000	91	—	—	Sold 26-Apr-17, \$10.4 mm of senior loan repaid
100 Grasslands Road	ST/TL	47,720	7,950,000	167	7,950,000	167	—	—	Sold 26-Apr-17, \$5.0 mm of senior loan repaid
555 White Plains Road	ACORE	125,497	5,475,000	44	5,900,000	47	(425,000)	(7.2%)	Sold 4-May-17, \$5.4 mm of senior loan repaid
100 Executive Drive	ST/TL	93,011	2,135,000	23	2,200,000	24	(65,000)	(3.0%)	Sold 15-May-17, \$5.3 mm of senior loan repaid
200 Executive Drive	ST/TL	106,327	3,172,000	30	3,300,000	31	(128,000)	(3.9%)	between 100 & 200 Executive
300 Executive Drive	ISB	125,440	6,282,000	50	6,500,000	52	(218,000)	(3.4%)	Sold 15-May-17, \$6.7 mm of senior loan repaid
10 Rooney Circle	ACORE	70,873	3,241,606	46	3,000,000	42	241,606	8.1%	Sold 15-May-17, \$3.6 mm of senior loan repaid
225 High Ridge Road	ST/TL	223,940	\$22,550,000	101	\$24,000,000	107	(\$1,450,000)	(6.0%)	Sold 16-June-17, \$21.9 mm of senior loan repaid
710 Bridgeport	ST/TL	452,414	26,250,000	58	23,700,000	52	2,550,000	10.8%	Sold 3-August-17, \$5.7 mm net proceeds received
Total Sold - 2017	12		\$151,385,606		\$150,880,000		\$505,606	0.3%	
Total Sold	14		\$165,608,106						

- Approximately US\$500,000 was added to the principal balance of 710 Bridgeport following the sale of 300 Executive Drive, since the proceeds from the sale of 300 Executive Drive were not sufficient to pay the loan in full
- The full principal balance at 710 Bridgeport, including the additional US\$500,000, was subsequently paid off upon the sale of the property on 3 August 2017
 - The sale of 710 Bridgeport resulted in net proceeds to the US LLC of approximately US\$5.71 million, which is included in a reconciliation of net liquidation proceeds that we will review shortly

(1) Does not include sales and other closing costs

Note: All amounts US\$ and represent 100.0% ownership

Property Sales Update (cont.)

RNY

All figures in US\$ unless noted

- The 5 remaining ACORE assets went through a formal marketing process during the second quarter of 2017
 - Initial bids for the properties were received in mid-July with high bids totaling US\$63.7 million, which would indicate negative net equity of approximately US\$5.0 million after the release of the outstanding reserve balances
 - Represents a 29.9% discount to the 31 December 2016 valuations
 - After additional rounds of bidding, the current high bids total approximately US\$67.0 million
 - RXR persuaded ACORE to provide favorable debt financing terms to buyers in an attempt to further increase the bids
 - The additional rounds of bidding increased the total bid value and reduced the negative net equity to approximately US\$2.0 million after accounting for customary selling costs and the release of outstanding reserve balances
 - Represents a 26.0% discount to the 31 December 2016 valuations
 - As a result of the outcome of the bidding and the existing event of default in the ACORE loan, we are in active discussions with ACORE regarding the best course of action as outlined later in additional detail

Summary Debt Information

(pro forma for events subsequent to 30 June)

RNY

All figures in US\$ unless noted

	Balance (000's)	30 June 2017 Valuations (000's)	Weighted Average Interest Rate	Maturity Date	DSCR ⁽¹⁾	30 June 2017 Occupancy	31 December 2016 Occupancy
ACORE Pool ⁽²⁾	68,099	67,900	5.69%	Feb. 2019	1.21	78.4%	81.9%
Torchlight Loan ⁽³⁾	53,839	35,800	14.00%	Aug 2017	0.41	100.0%	100.0%
Total/Weighted Average	121,937	103,700	9.36%		0.85	88.0%	89.9%

➤ ISB Loan

- The ISB loan was fully repaid upon closing of the 710 Bridgeport sale on 3 August 2017

➤ SunTrust/Torchlight Loans

- On 1 August 2017, Torchlight paid off the balance of the senior loan with SunTrust that encumbered the remaining asset, via a protective advance per the terms of the Loan (the “Protective Advance Amount”)
- As for the remaining asset, 492 River Road, marketing efforts have been placed on hold as we work with Torchlight to determine how to best proceed
 - We are currently working on a lease renewal with BT Radianz that, if executed, will provide time for us to market the property and sell it on behalf of the lender in exchange for a fee.
 - If the renewal is not executed the property will likely be transferred to the Lender

➤ ACORE

- The US LLC, as guarantor of certain equity funding obligations under the loan, is in violation of certain net worth and liquidity covenants under the loan, which has led to an event of default
- This event of default and the bid results have prompted the lender to issue a notice to the borrowers and guarantors as discussed on the following slide in additional detail

(1) Based on interest paid; excludes accruals

(2) Interest rate is floating. Rate shown above reflects the weighted average rate for the period, excluding default interest

(3) The loan balance includes Protective Advance Amount

ACORE Proposed Settlement

RNY

All figures in US\$ unless noted

- The lender has claimed the loan is in default and demanded that the borrower parties and US LLC preserve all available cash to satisfy outstanding obligations to the lender under the loan
- Lender claims that the liabilities of the US LLC amount to and may exceed approximately US\$6.6 million
- The US LLC believes, after consulting with counsel, that the lender's demands are overreaching and excessive
- Based on recent discussions, it is expected that RAML will be able to undertake remedial actions to limit or satisfy the lender demands, though there can be no assurances in this regard until a definitive agreement has been executed
- We believe we have an agreement in principle with ACORE to resolve the default and dispute over certain limited guarantees by the US LLC. The primary terms of the proposed settlement are as follows:
 - US LLC to fund an additional US\$1 million into the Capital and Leasing Reserve Escrow Account
 - US LLC to reserve an additional US\$1 million in escrow, effectively capping its liability on this issue at a total of US\$2 million, as compared to the US\$6.6 million liability alleged in the lender's notice
 - Agreement with lender is subject to RAML remaining RE, since lender has no experience with Aurora's expertise and capabilities relating to the ownership or operation of commercial real estate in the New York region
 - RAML's goal is to preserve capital for unitholders but not to change the status quo vis a vis the lender until after the unitholder meeting on 12 September 2017

Estimated Net Liquidation Proceeds

RNY

All figures in US\$ unless noted

- After incorporating the anticipated liability for the agreement in principle with ACORE, as well as additional updates since the 17 July 2017 RNY press release, the net liquidation proceeds per share are now projected to be between A\$0.015 and A\$0.019, with a downside case projection of A\$0.000 per share
- The primary update from the range provided in the 17 July 2017 press release of A\$0.01 to A\$0.03 per share is the incorporation of the estimates for the potential ACORE liability or settlement

Estimated Distribution to Unitholders			
	Downside Case	Base Case	Upside Case
30 June Cash Balance of RNY Australia Operating Company LLC & Subsidiary Entities, net of accrued expenses	\$7,033,572	\$7,033,572	\$7,033,572
Plus: Cash Inflows Subsequent to 6/30/17			
Balance of Cash Received from 710 Bridgeport Sale & Additional Cash Flows	3,293,734	3,293,734	3,293,734
Adjusted Current Cash Balance	\$10,327,306	\$10,327,306	\$10,327,306
Plus/(Less): Estimated Future Expenses & Reserves			
ACORE Settlement Costs	(\$6,600,000)	(\$2,000,000)	(\$2,000,000)
ACORE Settlement Legal Expenses	(300,000)	(300,000)	(200,000)
Receipt of Intercompany Loan proceeds from RNY Australia LPT Corporation	4,841,871	4,841,871	4,841,871
Other reserves and estimated expenses or income	(1,004,987)	(1,004,987)	15,000
Projected Ending Distributable Cash Balance of RNY Australia Operating Company LLC	\$7,264,190	\$11,864,190	\$12,984,177
75% Share for RNY Australia LPT Corporation	\$5,448,143	\$8,898,143	\$9,738,133
30 June Cash Balance of RNY Australia LPT Corporation & RNY Property Trust	\$141,036	\$141,036	\$141,036
Plus/(Less): Estimated Future Expenses & Reserves			
Payoff of Intercompany Loan proceeds to RNY Australia Operating Company LLC	(\$4,841,871)	(\$4,841,871)	(\$4,841,871)
Estimated liquidation costs and operating costs of RNY Australia LPT Corporation & RNY Property Trust	(823,479)	(823,479)	(823,479)
Asset Management Fees, limited to projected 3rd party costs	(269,035)	(269,035)	(269,035)
Projected Ending Distributable Cash Balance of RNY Property Trust	(\$345,206)	\$3,104,794	\$3,944,784
Exchange Rate	0.79	0.79	0.79
Shares Outstanding	263,413,889	263,413,889	263,413,889
Distribution to Unitholders (in A\$)	(\$0.002)	\$0.015	\$0.019

Note: There could be additional expenses or liabilities which could cause the net liquidation proceeds to be lower than the range provided above.

Note: Downside case assumes no settlement is reached with ACORE; settlement costs assumed as the \$6.6 mm liability alleged by lender

Note: Upside case assumes receipt of fee from mezzanine lender for selling 492 River Road, reduced legal fees, and receipt of additional funds that are assumed to be retained by lender in the Base Case

2017 Leasing Activity

RNY

All figures in US\$ unless noted

- Signed 169,527 square feet of leases in the first half of 2017, including 24,627 square feet of new leasing and 144,880 square feet of renewals
- Achieved a renewal rate of 91.7% during the period
- Adjusting for property sales portfolio occupancy decreased to 78.3% at mid-year, compared to 79.9% a year ago
- There are currently over 25K SF of leases out for signature (1.6K SF new and 23.4K SF of renewals) since the end of the period
- We are continuing to work on an early renewal of BT Americas at 492 River Road
 - Once signed, the lender will allow us to market the building for sale, for which we will receive approximately 0.6% of the sale price if a sale is completed

- For the first 3 years management created value for unitholders
 - 20.1 cents of distributions
 - Unit high price of A\$1.25
 - Valuations increased by 15.5%
- Global Financial Crisis and structural shifts in the NY suburban market created many negative pressures on the business, starting in 2008
 - Decreasing unit price, occupancies and cash flow
- Several large tenant bankruptcies took their toll, with the Trust losing significant occupancy ahead of debt maturities in 2010
- Management negotiated through some difficult situations with lenders in the period after the GFC planning for and expecting a typical cyclical recovery
- Limited capital available to recapitalize assets and invest in improvements
- After the GFC, many of the Trust's largest Australian unitholders encouraged management to “hold and operate” the Portfolio, in anticipation of a market recovery
 - RXR maintained its direct and indirect ownership in the portfolio of nearly 30.0% alongside those unitholders
- Management stayed the course of “hold and operate” for the past 9 years, but the expected market recovery never materialized and risk weighted returns required by investors remain high in suburban markets for non-trophy assets



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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.