

6 October 2017

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

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### **RNY Property Trust (ASX:RNY) – Update to RNY Unitholders**

**RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust)** notes that Aurora's 1.5c offer for RNY units is unconditional. As per our announcement yesterday, any distribution from RNY is now considered unlikely to materially exceed this amount and it could be less, possibly zero. RAML must therefore recommend Aurora's unconditional 1.5c bid price save for one reservation. The timing is such that unitholders have very little time to accept before the closing date (11 October 2017). This means that in order to benefit from Aurora's 1.5c unconditional offer unitholders will need to act URGENTLY and DILIGENTLY to ensure they accept (if they wish to) prior to the deadline.

Aurora has so far not decided to extend the closing date and if there is no extension, RAML has NO reason to believe that Aurora will be lenient in relation to any late acceptances. This comment is based on the following:

- RAML pointed out to Aurora on Tuesday, 3 October 2017 that its offer breached s630(1) of the Corporations Act in that a particular date for the publication of a notice was missing.
- The effect of the mistake by Aurora was that its defeating conditions breached the Corporations Act and, in RAML's view, were probably ineffective.
- By the end of Wednesday, 4 October 2017 Aurora had declared its offers unconditional. In RAML's view the offers were already unconditional due to the breach mentioned above. Aurora's announcement put the matter beyond doubt.
- But it is possible that Aurora declared its offers free from defeating conditions in order to produce an outcome which matched the effect of the breach of s630(1).
- If this is correct, Aurora
  - may elect not to extend the closing date for its offers in order to minimise the risk it is exposed to via its offers being unconditional,
  - may not be inclined to process acceptances which miss the relevant deadline.

RAML recommends that unitholders wishing to accept the 1.5 offer ACT IMMEDIATELY and take all necessary urgent steps to ensure their acceptances are effective. It is possible that unitholders may receive 1.7c if the conditions set out in Aurora's prior announcement are satisfied. This however is not certain.

Once the Aurora bid closes and the level of acceptances is known, including whether the 1.5c or the higher 1.7c is paid to accepting unitholders, RAML will consider the implication for its Cash Distribution Strategy. If Aurora reaches a level of acceptance allowing it to pass a resolution to change the responsible entity, this may also negatively impact the RAML Cash Distribution Strategy.

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RXR Realty. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio. RXR is one of the New York Tri-State area's leading real estate companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties.

*Certain statement 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.*

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