



Financial Results & Overview of the
Half-Year Ended 30 June 2014
Friday, 8 August 2014

➤ Financial Summary

- Headline result of A\$343 thousand RNY net profit after tax for period end 1H 2014 vs. A\$8.27 million net profit after tax for 1H 2013
 - Adjusted Trust Net Profit after Tax (A-NPAT) of A\$1.25 million profit ⁽¹⁾ vs. A\$2.43 million profit ⁽¹⁾ at 30 June 2013
 - No material change in values for the six month period
- Distributable earnings of A\$3.04 million for the period
- Period-end gearing ratio of 63.2% vs. 63.4% at 31 December 2013 (67.8% at 30 June 2013)

➤ Operating Summary

- Executed 20 lease transactions during 1H 2014 totalling 187,996 square feet (6.3% of portfolio)
- Year over year same store NOI decreased 1.0%
- Period-end occupancy was 78.6% vs. 80.9% at 31 December 2013 (81.9% at 30 June 2013) for our core portfolio
 - Decrease in occupancy from year end was expected, and is related to the non-renewal of a 30K SF tenant at 100 Executive Drive in West Orange and the early termination of a 15,451 SF tenant at 225 High Ridge Road

(1) 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. For a detailed reconciliation between the net profit after tax and A-NPAT, please see slide 3.

Financial Summary

Net Profit After Tax/Distribution Statement

RNY

	Period ended 30 June 2014	
	(A\$ in 000's)	(cents per unit)
Net Income From US LLC	1,475	
Expenses of US REIT/Trust	(1,132)	
Net Income After Taxes	343	0.13
Add: Property Fair Value Adjustments ⁽¹⁾	908	
Adjusted Net Profit After Taxes	1,251	0.47
Add: Mortgage Cost Amortisation	428	
Add: Amortisation of Deferred Leasing Costs	1,147	
Add: Straight-Line Income Adjustments	209	
Distributable Earnings	\$3,035	1.15
Less: Earnings Retained to Fund Capital Expenditures	(3,035)	
Distribution to Unitholders	\$0	0.00

(1) Net of capitalised additions.

Financial Summary

Summary Balance Sheet

RNY

	At 30 June 2014	At 31 December 2013
	(A\$ in 000's) ⁽¹⁾	(A\$ in 000's) ⁽¹⁾
Total Assets	\$137,638	\$144,593
Total Liabilities	(\$4,864)	(\$5,059)
Net Assets (A\$)	\$132,774	\$139,534
Add: Adjustment for Fair Value of Derivative	1,527	1,549
Net Tangible Asset (NTA) (A\$)	\$134,301	\$141,083
Units on Issue	263,413,889	263,413,889
NTA Per Unit	\$0.51	\$0.54
Closing Price	\$0.27	\$0.31
Equity Market Capitalisation	\$71,121,750	\$81,658,306
Gearing Ratio	63.2%	63.4%

(1) Balance sheet foreign exchange rate of A\$0.9420 at 30 June 2014 and A\$0.8948 at 31 December 2013.

US LLC Summary Debt Information

At 30 June 2014

RNY

All figures in US\$ unless noted

	Balance (000's)	30 June 2014 Valuations (000's)	Weighted Average Interest Rate	Maturity Date	DSCR ⁽¹⁾	30 June 2014 Occupancy	31 December 2013 Occupancy
Citibank Pool	72,000	128,700	5.32%	Jan. 2016	1.94	82.6%	83.5%
ISB Pool	40,332	89,000	4.25%	Jan. 2017	1.74	73.6%	74.3%
EH/TL Pool - Senior	119,293	204,100	5.28%	May 2017	1.09	79.1%	83.3%
EH/TL Pool - Mezz ⁽²⁾	36,000	N/A	13.00%	May 2017	1.73	N/A	N/A
Total/Weighted Average	267,625	421,800	6.18%		1.35	78.6%	80.9%
BRE/Melville JV Debt Pool @ 100%	27,402	27,200	5.20%	Oct. 2014 ⁽³⁾	(1.34)	11.3%	64.0%
BRE/Melville JV Debt Pool @ 7.8%	2,137	2,122					

- On 2 May 2014, the Majority Member of the BRE/Melville JV determined that the company needed US\$1.27 million of additional capital contributions to fund operations going forward
- The US LLC's share of this amount was approximately US\$99 thousand
 - The Board determined it was not in the best interests of RNY to fund its share of the required capital
 - » The Majority Member of the JV funded the US LLC's share of the required capital, which elected to treat such funding as a loan to the US LLC secured only by its interest in the JV

(1) Based on interest paid; excludes accruals.

(2) This loan accrues interest at 13%, but the pay rate is 6% in year one and 8% in year two before increasing to 13%.

(3) The BRE/Melville JV Debt Pool can be extended for an additional two years, subject to certain reserve funding requirements.

Property Revaluations

RNY

All figures in US\$ unless noted

- Management revalued the portfolio at 30 June 2014. As part of the revaluation, the Trust engaged CB Richard Ellis (“CBRE”) to perform appraisals of five of the Trust’s properties, and to provide cap rate data for the Trust’s other 16 operating properties. Management utilized the appraisals and cap rate data to complete the valuations. 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 2014	31-Dec 2013	Change from 31 Dec 2013		30-Jun 2013	Change from 30 Jun 2013	
			US\$	%		US\$	%
Total Long Island	108,225	105,150	3,075	2.9%	109,013	(788)	(0.7%)
Total New Jersey	56,700	59,625	(2,925)	(4.9%)	57,825	(1,125)	(1.9%)
Total Westchester	89,175	89,850	(675)	(0.8%)	93,000	(3,825)	(4.1%)
Total Connecticut	62,250	61,500	750	1.2%	61,050	1,200	2.0%
Total Portfolio	<u>316,350</u>	<u>316,125</u>	<u>225</u>	<u>0.1%</u>	<u>320,888</u>	<u>(4,538)</u>	<u>(1.4%)</u>

Note: Represents RNY's 75% interest, excluding BRE/Melville JV assets.

- Average per square foot value of the Trust’s share of the portfolio was US\$141
- An average terminal cap rate of 8.07% was used in the valuation of the portfolio
- NTA was unchanged in US dollars (US\$0.48) but decreased from A\$0.54 at 31 December 2013 to A\$0.51 per unit at period end due to the difference in the exchange rate

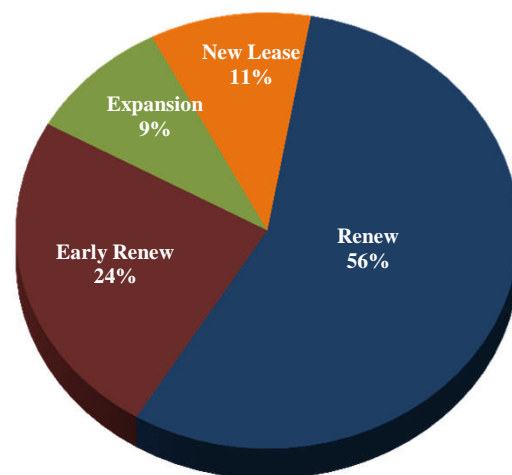
Note: Excludes BRE/Melville JV assets.

1H 2014 Leasing Activity

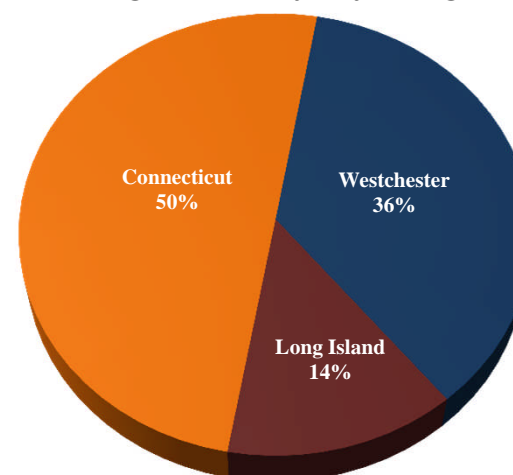
RNY

- Executed 20 leases totaling 187,996 square feet in 1H 2014 ⁽¹⁾
 - 36,959 square feet of new/expansion deals, and 151,037 square feet of renewal/early renewal deals, including:
 - Panolam renewal of 78,877 square feet at 710 Bridgeport Avenue
 - Prestige Brands expansion into an additional 15,470 square feet and early renewal of 42,616 square feet at 660 White Plains Road
 - Other noteworthy deals:
 - » A tenant expansion into an additional 2,008 square feet and early renewal of 3,305 square feet at 225 High Ridge Road
 - » New leases for 4,428 square feet at 35 Pinelawn Road and 3,976 square feet at 6800 Jericho Turnpike
- Achieved a 72.5% renewal rate for the period ⁽¹⁾
 - Excluding the early renewal of two tenants with an original LED of 2018, the renewal rate would be 64.7%
- Total same space new base rent vs. expiring base rent decreased 3.8% on a cash basis but increased 7.1% on an average rent basis ⁽²⁾

Leasing Activity by Type



Leasing Activity by Region



(1) Excludes BRE/Melville JV assets and early renewals.

(2) Base rent excludes recoveries.

2014 Leasing Update

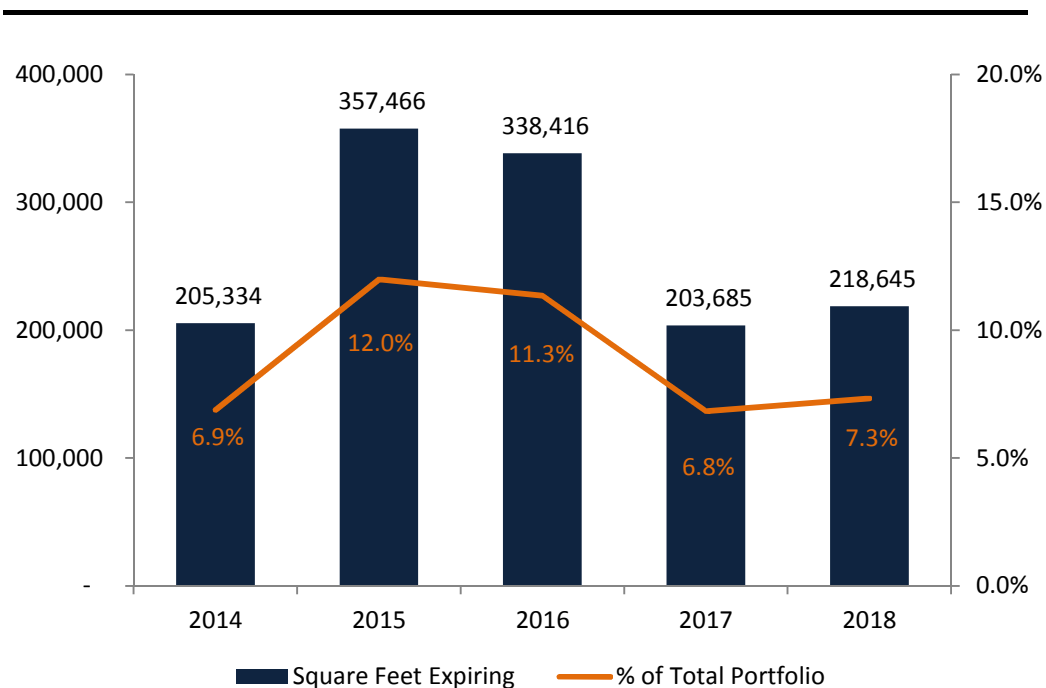
RNY

- Portfolio expirations remain challenging over the next year and a half
 - At 30 June 2014, approximately 563K square feet (18.9% of the core portfolio) is set to expire in 2H2014 or 2015
 - Two of the Trust's largest tenants (measured by base rental revenues) expiring during 2014 have already vacated:
 - » Bayer Healthcare LLC (94,717 square feet) at 555 White Plains Road in Tarrytown, NY (31 July 2014)
 - » Assured Partners Capital Inc. (31,390 square feet) at 100 Executive Drive in West Orange, NJ (31 May 2014)
 - Additional major expirations in 2014/2015:
 - » AC Nielsen Inc. (34,276 square feet) at 6800 Jericho Turnpike in Syosset, NY (31 March 2015) has expressed an intention to downsize or vacate at the end of their lease term
- Activity has been solid since the end of the 1H 2014, with approximately 55K square feet of leases signed or out for signature
 - Approximately 29K square feet of new leases and 26K square feet of renewals
- Rents have continued to stabilize and concessions have decreased in our stronger markets (Westchester and Long Island), with activity picking up in all regions

Lease Expirations and Occupancy Statistics

RNY

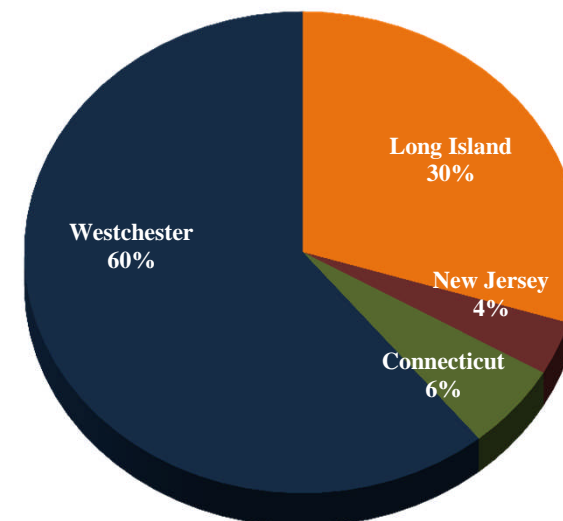
10.9% of Revenue Expiring in 2H 2014 ⁽¹⁾⁽²⁾⁽³⁾



Occupancy Statistics ⁽³⁾

	30 Jun. 2014	31 Dec. 2013
Total Portfolio	78.6%	80.9%
Long Island	82.1%	81.9%
New Jersey	63.0%	70.7%
Westchester	86.5%	87.4%
Connecticut	76.2%	79.2%

2014 Expirations by Region ⁽³⁾



- (1) Expirations are adjusted for pre-leased space.
 (2) On a cash rent basis including real estate tax escalations.
 (3) Excludes BRE/Melville JV assets.

- Management's focus for the second half of 2014 and beyond is on the following:
 - Building and Maintaining Occupancy
 - Maintaining occupancy will remain challenging, with about 18.9% of the portfolio expiring through the end of 2015
 - » We are expecting a 30% renewal rate on space expiring in 2H 2014
 - Leasing markets are starting to open up, with new tenant activity being seen throughout the portfolio
 - » We may need to be selective with some of the leasing transactions we pursue over the next 12-18 months
 - Portfolio Management
 - Continuing to hold back on unitholder distributions and limit capital expenditures
 - » We are looking at doing some capital projects that will enhance the leasing efforts at certain properties
 - » Unrestricted cash on US LLCs books of approximately US\$6.3 million at 30 June 2014
 - » Excludes US\$3.4M of lender-controlled escrow accounts and US\$3.1M of tenant security deposits
 - Analyse strategic asset sales to generate liquidity
 - » Term sheet with new purchaser for 505 White Plains Road for US\$2.825 million
 - » Looking at other assets that might be good sale candidates
 - » Less than 15 months until we have the ability to refinance the Citibank loan pool, which will give us added financial flexibility to recapitalize and/or sell additional assets



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