RNY
PROPERTY TRUST

Financial Results & Overview for the

Year Ended 31 December 2015

Friday, 26 February 2016

Strategic Overview

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- We continue to evaluate the best means to monetize value in the portfolio
- We have managed through significant headwinds and challenges in the suburban markets in terms of leasing, lack of rental rate growth, absorption and limited liquidity
- Historical trends of recovery are not materializing in this cycle
- Unprecedented structural shift in suburban leasing markets:
  - Demographic migration towards urban areas
  - Economy growth has not produced significant demand in suburban office markets
  - Flight to Quality of Class B tenants to Class A buildings
- Result is reassessment of suburban office values
  - Engaged Cushman & Wakefield to perform valuations at year end 2015
- We believe at this time that the best way for us to maximize unitholder value is to begin the process of selling down the assets in an orderly, strategic manner over the next 12-24 months
  - Reduction to valuations more accurately reflects values in the current investment environment, providing us with a greater ability to sell assets

Financial Summary

Net Loss After Tax/Distribution Statement

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- Headline result of A$66.2 million RNY net loss after tax for year end 2015 vs. A$11.25 million net loss after tax for 2014
  - Adjusted Trust Net Loss after Tax (A-NPAT) of A$933 thousand loss vs. A$203 thousand profit for 2014.
- Distributable earnings of A$2.73 million for the period vs. A$3.57 million the year prior

	Period ended 31 December 2015		Period ended 31 December 2014	
	(A$ in 000's) [1]	(cents per unit)	(A$ in 000's) [1]	(cents per unit)
Net Loss From US LLC	(63,462)		(8,834)	
Expenses of US REIT/Trust	(2,745)		(2,415)	
Net Loss After Taxes	(66,207)	(25.13)	(11,249)	(4.27)
Add: Property Fair Value Adjustments [2]	65,274		11,452	
Adjusted Net (Loss) Profit After Taxes [3]	(933)	(0.35)	203	0.08
Add: Mortgage Cost Amortisation	1,080		889	
Add: Amortisation of Deferred Leasing Costs	2,580		2,148	
(Less) Add: Straight-Line Income Adjustments	(5)		331	
Distributable Earnings	**$2,722**	1.03	**$3,571**	1.36
Less: Earnings Retained to Fund Capital Expenditures	(2,722)		(3,571)	
Distribution to Unitholders	**$0**	0.00	**$0**	0.00

(1) Income statement foreign exchange rate of A$0.7524 at 31 December 2015 and A$0.9029 at 31 December 2014
(2) Net of capitalised 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

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- Net valuation decrease to Trust operating properties of US$56.5 million (A$75.1 million)
  - Trust's share of this adjustment was US$47.4 million for the year (A$63.0 million), equating to a decrease of 15.3% year over year
- Period-end gearing ratio of 75.8% vs. 65.0% at 31 December 2014 (65.8% at 30 June 2015)

	At 31 December 2015 (A$ in 000's) (1)	At 31 December 2014 (A$ in 000's) (1)
Total Assets	$99,153	$147,071
Total Liabilities	($6,835)	($5,795)
Net Assets (A$)	$92,318	$141,276
Add: Adjustment for Fair Value of Derivative	970	1,228
Net Tangible Asset (NTA) (A$)	$93,288	$142,504
Units on Issue	263,413,889	263,413,889
NTA Per Unit	$0.35	$0.54
Closing Price	$0.28	$0.32
Equity Market Capitalisation	$73,755,889	$84,292,444
Gearing Ratio	75.8%	65.0%

(1) Balance sheet foreign exchange rate of A$0.7306 at 31 December 2015 and A$0.8202 at 31 December 2014.

2015/2016 Leasing Activity

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- Executed 61 leases totaling 281,800 square feet in 2015 (9.5% of the portfolio)
  - 71,681 square feet of new/expansion deals, and 210,119 square feet of renewals/early renewals, including:
    - Bank of America renewal of 26,319 square feet at 225 High Ridge Road
    - Liberty Mutual one year renewal of 24,191 square feet at 80 Grasslands Road
    - Hoffman Baron renewal of 17,298 square feet at 6900 Jericho Turnpike
    - Scoria Capital signed a new lease for 15,451 SF at 225 High Ridge Road
    - GEICO renewal of 13,886 square feet at 300 Executive Drive
- Achieved a 75.2% renewal rate for the year
- Total same space new base rent vs. expiring base rent decreased 8.6% on a cash basis, but increased 0.9% on an average rent basis [1]
- Period-end occupancy was 74.6% vs. 74.9% at 30 June 2015 (74.9% at 31 December 2014)
- Portfolio expirations remain a big challenge in this portfolio
  - At 31 December 2015, approx 687K square feet (23.2% of the portfolio) was set to expire in 2016 or 2017
- We signed leases representing 27K square feet of space so far in 2016, with transactions out for signature representing approximately 96K square feet of space
  - Approximately 15K square feet of new leases and 108K square feet of renewals

(1) Base rent excludes recoveries.

Summary Debt Information

(Pro Forma for ACORE refinancing)

RNY

All figures in US$ unless noted

	Balance (000's)	31 December 2015 Valuations (000's)	Weighted Average Interest Rate	Maturity Date	DSCR [1]	31 December 2015 Occupancy	31 December 2014 Occupancy
ACORE Pool [2]	81,695	114,950	4.95%	Feb. 2019	1.40	69.8%	72.9%
ISB Pool	30,268	48,200	4.25%	Jan. 2017	1.56	72.2%	71.8%
EH/TL Pool - Senior	116,494	187,100	5.28%	May 2017	1.60	80.1%	78.2%
EH/TL Pool - Mezz [3]	36,000	N/A	14.00%	May 2017	1.08	N/A	N/A
Total/Weighted Average	**264,457**	**350,250**	**6.25%**		**1.23**	**74.6%**	**74.9%**

- Torchlight Mezz Loan DSCR Test
  - Under the terms of the Mezz Loan, the DSCR is required to be greater than 1.10, measured on a trailing 12 month basis
    - As indicated above, the DSCR dropped below 1.10 at year end, which is defined as a “Low DSCR Trigger Event”
    - Upon the earlier of: i) three occurrences of a Low DSCR Trigger Event, or ii) a DSCR below 1.05, the Borrower is required to post a letter of credit in an amount that, if applied to the Senior Loan, would cause the Borrower to be in compliance with the DSCR test.

(1) Based on interest paid; excludes accruals.
(2) Interest rate is floating. Rate shown assumes LIBOR floor of 0.25% plus spread of 470 BPs.
(3) EH/TL Pool – Effective May 2014, the restructured mezzanine loan interest is accrued at 14%, payments due at 8% until April 2015, 9% until April 2016 and 10% thereafter.

ACORE Refinancing

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- On 8 January 2016, the Trust obtained financing from ACORE Capital in the initial amount of US$81.7 million, the proceeds of which were used to complete a refinancing of a maturing CMBS loan in the amount of US$72 million (the "Citibank Pool") and of the loan that encumbered 580 White Plains Road (previously part of the "ISB Pool")
  - Fully-funded loan amount is US$97 million, inclusive of $15.3 million available to fund 65% of capital expenditures, tenant incentives and leasing commissions
    - Up to $8.3 million of cash flow is swept into escrow to fund remaining 35%
  - Interest rate is 470 BPs over LIBOR, with a 25 BPs floor and a rate cap requirement of 2.5%
  - Initial loan term is 3 years, with two 1-year extensions
  - Prepayments are allowed with payment of spread maintenance during the first 18 months of the term
    - No spread maintenance is required for a sale of 200 Broadhollow Road, which we are currently marketing
- Refinancing the assets was extremely challenging in the current financing environment, as there weren't many lenders interested in suburban office
  - 580 White Plains Road was included in the collateral in order to obtain better execution on the loan
    - Having it in the same pool with 555 and 560 White Plains Road makes sense strategically, as those assets would likely sell as a group

Property Revaluations

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All figures in US$ unless noted

- The Trust engaged Cushman & Wakefield to perform appraisals of ten of the Trust's properties and to provide cap rate data for the Trust's other 10 properties at 31 December 2015. Management then utilized the appraisals and cap rate data to complete the valuations.

Region	31-Dec 2015	30-Jun 2015	Change from 30 June 2015 US$	Change from 30 June 2015 %	31-Dec 2014	Change from 31 Dec 2014 US$	Change from 31 Dec 2014 %
Total Long Island	81,488	106,950	(25,463)	(23.8%)	106,425	(24,938)	(23.4%)
Total New Jersey	48,900	55,200	(6,300)	(11.4%)	55,125	(6,225)	(11.3%)
Total Westchester	79,050	84,225	(5,175)	(6.1%)	89,700	(10,650)	(11.9%)
Total Connecticut	53,250	58,725	(5,475)	(9.3%)	58,800	(5,550)	(9.4%)
Total Portfolio	262,688	305,100	(42,413)	(13.9%)	310,050	(47,363)	(15.3%)

Note: Represents RNY's 75% interest.

- Average per square foot value the portfolio decreased from US$139 at 31 December 2014 to US$118 at period end, and NTA decreased from US$0.44 (A$0.54) at 31 December 2014 to US$0.26 (A$0.35) per unit at period end
- An average terminal cap rate of 8.0% was provided by C&W for the current valuation of the portfolio, unchanged from the rate provided by CBRE for the June valuations
  - The primary driver for the valuation decrease was a decrease in stabilized occupancy for the assets
    - While the CBRE models had assumed average occupancy stabilizing at roughly 88-93%, the C&W models assume average occupancy stabilizing between 85-90% for most of the assets

Changing Dynamics of Suburban Office

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- An unprecedented structural shift in the suburban leasing markets has been occurring over the past several years, highlighted by the following trends:
  - There has been a demographic migration towards urban areas, as “Millennials” want to live near their jobs and recreational activities (“Live/Work/Play” communities)
    - Suburban communities have been slow to react to the exodus of the Millennials, failing to take the necessary actions to attract and retain the young talent that is vital to many employers
  - “Flight to Quality” as Class A buildings have been syphoning demand
    - On Long Island, Class A occupancy was nearly 90% at year end vs. just under 84% for Class B
    - In NJ, overall availability hovers near 21%, yet several of the premier submarkets are below 15% and two are below 8%, indicating that activity is concentrated in top-quality product in desirable locations
  - Economic activity and job growth has recovered, along with growth in small and mid-size businesses, yet there has been no growth in Class B occupancy
    - A recovery without absorption, due in large part to limited growth in office using employment
  - Short-term renewals have resulted in a “treadmill effect” as shorter lease terms and constantly rolling expirations have hindered our ability to increase occupancy
    - Weighted average lease term on deals we did from 2006-2009 was nearly 83 months versus just under 56 months from 2010 to 2015
    - Class B tenants are generally more cautious with space requirements

Net Absorption

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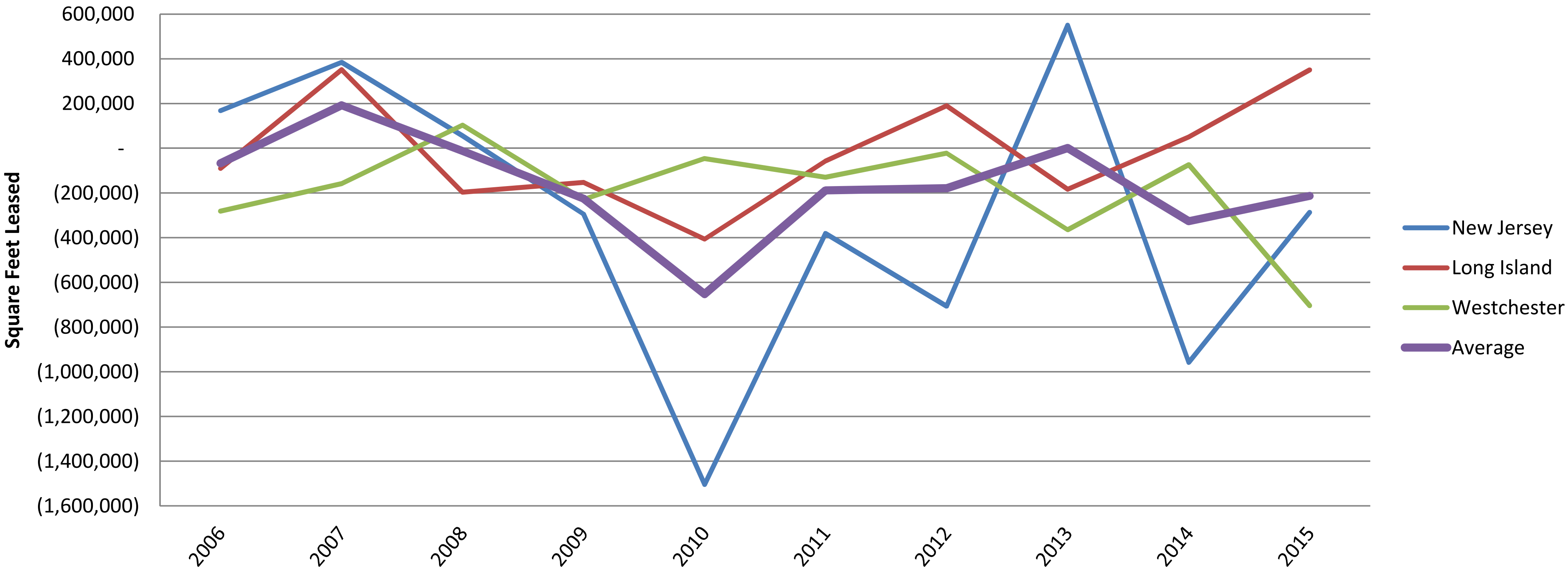

- Average net absorption in our 3 major suburban markets has been flat or negative for 9 out of the past 10 years
  - From 2006-2009, average net absorption was negative by roughly 28,400 SF/year; from 2010-2015 the average net absorption was negative by just over 260,200 SF/year
- The Queens office market, on the other hand, has had only 2 years of negative net absorption over the past decade, averaging nearly 122K of positive net absorption per year over that timeframe

Availability Rates

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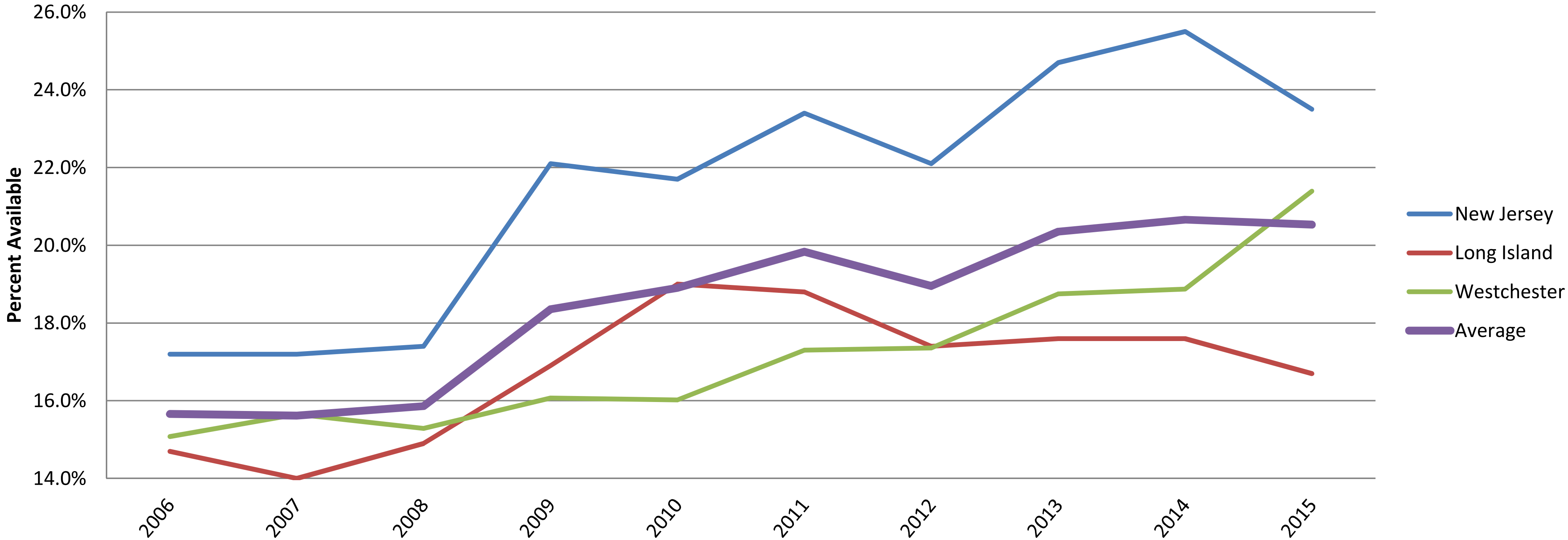
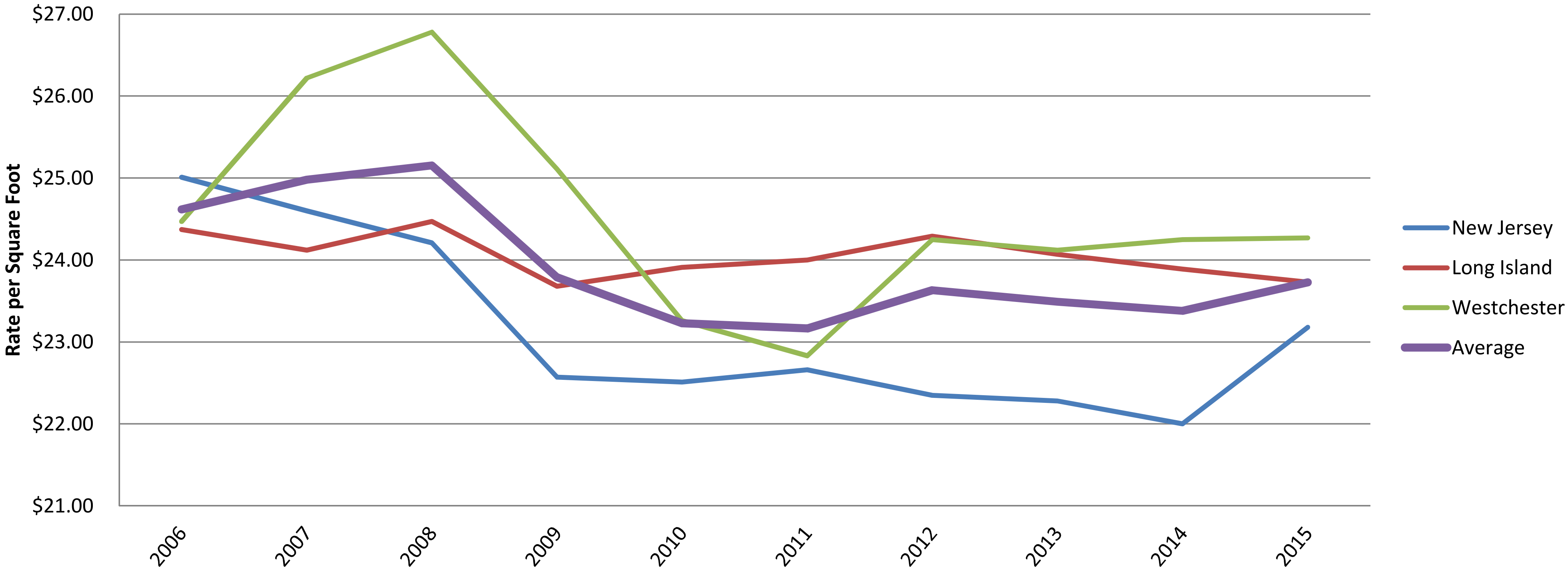


- Availability has increased overall in our markets, with no meaningful new product being added
  - From 2006-2009, average availability was 16.4%; from 2010-2015 the average availability was 19.9%
  - RNY's availability averaged 9.5% from 2006-2009, but has fallen more in line with the overall market at 20.3% for 2010-2015
- In sharp contrast, the average availability rate for Queens has been 8.0% over the past 10 years, with over 3.8 million square feet of new product (nearly a 40% increase) added over that time

Average Rents

RNY



- Average rents have decreased in our markets
  - From 2006-2009 rents averaged $24.63/SF, but have since decreased to an average of $23.44/SF from 2010-2015
  - RNY's rents (excluding warehouse) averaged $24.60/SF from 2006-2009, and $23.56/SF for 2010-2015
- Over the same period, Queens office rents are up nearly 21% on average, while Brooklyn rents are at historical highs, up 30% from the end of 2014

Strategic Monetization

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- Our plan is to “meet the market” on pricing to attract investor interest
  - As discussed on past calls, selling assets has been challenging, given the debt restrictions that were in place on many of the assets, and the costs involved in releasing the assets from the respective loans
    - As we approach the ISB and EH/TL debt maturities, the costs of releasing the properties continues to decrease
  - Immediately market select assets including:
    - 710 Bridgeport Avenue (ISB Pool – 1/1/17 maturity)
    - 300 Motor Parkway (ISB Pool – 1/1/17 maturity)
    - 200 Broadhollow Road (ACORE Pool – 2/1/19 maturity)
  - Package other assets together by geography or office park (i.e., Tarrytown, Elmsford, Syosset, West Orange) where it makes sense
- Recent valuations are more in line with off-market verbal offers that we have received over the past year
- Given the challenges in the investment market, along with working around debt maturities to try and limit prepayment/yield maintenance, we are targeting a 12-24 month process

Conclusion

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- A structural shift has occurred in the Trust's suburban leasing markets
  - Tenants are making real estate decisions that take employee satisfaction and lifestyle into account
- Suburban assets will likely continue to underperform
  - Additional product continues to be added to urban markets amid high demand
  - Unlike prior recoveries, growth in small and mid-sized businesses has not added occupancy to Class B assets
- Our portfolio has suffered along with the rest of the suburban markets
  - Portfolio occupancy averaged over 90% from 2006-2009, but averaged just below 80% from 2010-2015
- There has been a lack of investment sales in our markets, as investor appetite for suburban office has been lukewarm
  - Part of the challenge is related to the financing markets, as banks and the CMBS market are negative on suburban office
- Management intends to actively pursue its strategic monetary plan to maximize the value of the units in this challenging sales market
  - We believe the recent valuations will allow us to better "meet the market" on asset sales
- The Company will continue to hold back on unitholder distributions and limit capital expenditures

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