

# Appendix 4D

## Half year report for the period ended 30 June 2009

Name of entity	RNY Property Trust
ARSN	115 585 709
Reporting period	Six month period ended 30 June 2009
Previous corresponding period	Six month period ended 30 June 2008

### Results for announcement to market

#### *Financial Performance*

	A \$'000
Revenue/(loss) from ordinary activities	Down 302.6% to (16,363)
Profit/(loss) from ordinary activities after tax attributable to unitholders	Down 309.4% to (13,492)
Net profit/(loss) for the period attributable to unitholders	Down 309.4% to (13,492)

#### *Distribution*

<i>Current Period</i>	<i>Amount per unit</i>	<i>Tax Deferred</i>
Interim Distribution	Nil	N/A
<i>Previous Corresponding Period:</i>		
Interim Distribution	2.25	100.00%

Record date for determining entitlement to the distribution for the period ended 30 June 2009	N/A
Date the June 2009 distribution is payable	N/A
Tax advantage component of the June 2009 distribution	N/A
The taxable component of the June 2009 distribution comprises:	
Australian sourced income	N/A
Foreign sourced income	N/A
Foreign tax credit per unit	N/A

**RNY Property Trust**  
ARSN 115 585 709

Financial Report  
For the Half Year Ended 30 June 2009

# RNY PROPERTY TRUST

## CONTENTS

	<b>Page</b>
Directors' Report	2
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Distribution Statement	6
Balance Sheet	7
Cash Flow Statement	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Directors' Declaration	21
Independent Review Report	22

The directors of RNY Australia Management Limited (“RAML”), the Responsible Entity of RNY Property Trust (“RNY” or the “Trust”), present their report together with the financial report of the Trust, for the half year ended 30 June 2009.

### Directors

The names of the persons who served on the Board of Directors of the Responsible Entity at any time during or since the end of the financial period are:

Scott Rechler  
Michael Maturo  
Jason Barnett  
Philip Meagher  
William Robinson  
Mervyn Peacock

RAML is incorporated in Australia and has its principal place of business at Level 56, MLC Centre, 19 Martin Place, Sydney, NSW.

### Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 56, MLC Centre, 19 Martin Place, Sydney, NSW. The Trust has a 100% interest in Reckson Australia LPT Corp. (the “US REIT”), which in turn has a 75% interest in Reckson Australia Operating Company LLC (the “US LLC”), a Delaware Limited Liability Company that as of 30 June 2009 owned 25 investment properties (2008: 25 investment properties) in the New York Tri-State area. The principal activity during the financial period was in accordance with the stated investment strategy as set out in the Product Disclosure Statement dated 15 August 2005. There has been no change in the Trust’s principal activities during or since the end of the financial period.

### Distributions

No distribution was paid to unitholders for the half year ended 30 June 2009 and no provision for distribution has been recognised in the current period. A final distribution for the year ended 31 December 2008 of 2.25 cents per unit was paid on 27 February 2009. An interim distribution for the half year ended 30 June 2008 of 2.25 cents per unit was paid on 31 August 2008.

### Review of Operations

#### Results

The net profit of the Trust is presented in the Income Statement. Net loss attributable to the members of the Trust for the half year ended 30 June 2009 was \$13,492,289 (30 June 2008: Profit \$6,443,704).

#### Significant changes in the state of affairs

In the opinion of the directors, no significant changes in the state of affairs of the Trust occurred during the current financial period.

### **Matters subsequent to the end of the financial period**

On 4 August 2009 the Trust eliminated its remaining outstanding foreign exchange derivative instruments at a cost of US\$132,000. The Trust is not a party to any other outstanding foreign exchange derivative instruments.

### **Likely developments and expected results of operations**

Further information on likely developments in operations of the Trust and the expected result of these operations has not been included in this report because the responsible entity believes it is likely to result in unreasonable prejudice to the Trust.

### **Environmental Regulation**

The Trust's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

### **Units on issue**

There were 263,413,889 units of the Trust on issue at 30 June 2009 (31 December 2008: 263,413,889 units).

### **Interests of Responsible Entity**

The Responsible Entity held no units in the Trust at 30 June 2009 (31 December 2008: Nil).

### **Indemnification and Insurance of Officers and Auditors**

During the six months to 30 June 2009 the Trust was charged for insurance premiums incurred by the Responsible Entity in relation to an insurance policy which provides cover to directors and officers of the Responsible Entity. So long as the officers of RAML act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The disclosure of the nature of the liability and the amount of the premium paid is prohibited under the insurance contract. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### **Rounding of Amounts**

Amounts in the financial report and the Directors' Report have been rounded to the nearest thousand dollars per ASIC 98/100. The Trust is an entity to which the class order applies.

### **Audit Independence**

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 4.

This Report is made in accordance with a resolution of the Board of Directors.

/s/ Philip Meagher

Philip Meagher

Director

Dated this 6<sup>th</sup> day of August 2009 in Sydney

## **Auditor's Independence Declaration to the Directors of RNY Australia Management Limited, the Responsible Entity of RNY Property Trust**

In relation to our review of the financial report of RNY Property Trust for the half year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Mark Conroy'.

Mark Conroy  
Partner  
6 August 2009

**Statement of Comprehensive Income  
for the half year ended 30 June 2009**

Notes	Consolidated 30 Jun 2009 A\$'000	Consolidated 30 Jun 2008 A\$'000
<b>CONTINUING OPERATIONS</b>		
<b>Share of net loss of US LLC</b>		
Rental income	41,231	30,808
Property related expenses	(19,365)	(14,883)
Net rental income	21,866	15,925
Other income	927	437
Net finance costs	(9,858)	(8,070)
Other expenses	(1,157)	(709)
Net income from US LLC before fair value Adjustments	11,778	7,583
Loss from investment property revaluations	3(a) (36,568)	(7,863)
<b>Total share of net loss from US LLC</b>	<b>(24,790)</b>	<b>(280)</b>
Interest income	16	106
Net changes in fair value of derivatives	8,411	8,250
<b>Total (loss)/revenue and other income</b>	<b>(16,363)</b>	<b>8,076</b>
<b>Expenses</b>		
Auditor's remuneration	118	94
Administration expenses	47	50
Finance costs	275	322
Management fees	1,371	1,215
Other expenses	220	221
<b>Total expenses</b>	<b>2,031</b>	<b>1,902</b>
<b>(Loss)/profit from continuing operations before income tax benefit</b>	<b>(18,394)</b>	<b>6,174</b>
Income tax benefit	4,902	270
<b>Net (loss)/profit from continuing operations after tax</b>	<b>(13,492)</b>	<b>6,444</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Foreign currency translation loss (no tax effect)	(37,085)	(22,054)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(37,085)</b>	<b>(22,054)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS OF RNY PROPERTY TRUST ("RNY")</b>	<b>(50,577)</b>	<b>(15,610)</b>
<b>Basic and diluted earnings per unit (cents)</b>	<b>(5.12)</b>	<b>2.45</b>

The above Income Statement should be read in conjunction with the accompanying notes.

**Distribution Statement  
for the half year ended 30 June 2009**

	Notes	Consolidated 30 Jun 2009 A\$'000	Consolidated 30 Jun 2008 A\$'000
Total comprehensive loss for the period attributable to unitholders of RNY		(50,577)	(15,610)
Adjusted for:			
Loss from investment property revaluations	3(a)	36,568	7,863
Straight lining of rental income		(29)	(774)
Deferred revenue		16	197
Net unrealised gain on revaluation of derivatives		(8,581)	(6,201)
Deferred tax benefit		(4,902)	(270)
Mortgage cost amortisation		745	720
Leasing cost amortisation		1,027	606
Foreign currency translation loss		37,085	22,054
<b>INCOME AVAILABLE FOR DISTRIBUTION</b>		11,352	8,585
Other amounts retained		(11,352)	(2,658)
<b>DISTRIBUTION PAYABLE</b>	4	-	5,927
Distribution per unit (cents)		-	2.25

The above Distribution Statement should be read in conjunction with the accompanying notes.



**Balance Sheet**  
**as at 30 June 2009**

	Notes	Consolidated As at 30 Jun 2009 A\$'000	Consolidated As at 31 Dec 2008 A\$'000
<b>Current assets</b>			
Cash and cash equivalents		69	7,491
Trade and other receivables		11	14
Other current assets		10	42
Total current assets		<u>90</u>	<u>7,547</u>
<b>Non-current assets</b>			
Investments held in US LLC			
Share of US LLC's investment properties	3(a)	507,733	633,909
Share of US LLC's liabilities	3(b)	(344,765)	(405,379)
Share of US LLC's other net assets		23,396	22,346
Investment in US LLC		<u>186,364</u>	<u>250,876</u>
Total non-current assets		<u>186,364</u>	<u>250,876</u>
<b>Total assets</b>		<u>186,454</u>	<u>258,423</u>
<b>Current liabilities</b>			
Related party payables		3,588	4,162
Trade and other payables		775	863
Derivative financial instruments		936	10,509
Provision for distribution	4	-	5,927
Total current liabilities		<u>5,299</u>	<u>21,461</u>
<b>Non current liabilities</b>			
Deferred withholding tax liability		972	6,176
Preferred shares	5	154	180
Total non-current liabilities		<u>1,126</u>	<u>6,356</u>
<b>Total liabilities</b>		<u>6,425</u>	<u>27,817</u>
<b>Net assets</b>		<u>180,029</u>	<u>230,606</u>
<b>Unitholders' Equity</b>			
Units on issue	6	251,377	251,377
Reserves		(9,522)	27,563
Accumulated losses		(61,826)	(48,334)
<b>TOTAL EQUITY</b>		<u>180,029</u>	<u>230,606</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**Cash Flow Statement**  
**For the half year ended 30 June 2009**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 Jun 2009</b>	<b>30 Jun 2008</b>
	<b>A\$'000</b>	<b>A\$'000</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers	(1,704)	(2,997)
Income received from US LLC	1,396	1,200
Interest received	15	103
Interest and borrowing costs paid	(40)	(142)
<b>Net cash outflow from operating activities</b>	(333)	(1,836)
<b>Cash flows from financing activities</b>		
Proceeds from related party borrowings	-	525
Distribution paid	(5,927)	(8,824)
<b>Net cash outflow from financing activities</b>	(5,927)	(8,299)
<b>Net decrease in cash and cash equivalents</b>	(6,260)	(10,135)
Cash and cash equivalents at beginning of period	7,491	10,723
Net foreign exchange differences	(1,162)	1,469
<b>Cash and cash equivalents at end of period</b>	69	2,057

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity  
for the half year ended 30 June 2009**

	Units on Issue	Undistributed Income	Reserves	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000
<b>CONSOLIDATED</b>				
<b>At 1 January 2008</b>	251,377	38,394	(41,973)	247,798
Foreign currency translations taken to equity	-	-	(22,054)	(22,054)
Profit for the half year	-	6,444	-	6,444
<b>Total comprehensive income/(loss) for the half year, net of tax</b>	-	6,444	(22,054)	(15,610)
Distributions	-	(5,927)	-	(5,927)
<b>At 30 June 2008</b>	251,377	38,911	(64,027)	226,261

	Units on Issue	Accumulated Losses	Reserves	Total Equity
	A\$'000	A\$'000	A\$'000	A\$'000
<b>CONSOLIDATED</b>				
<b>At 1 January 2009</b>	251,377	(48,334)	27,563	230,606
Foreign currency translations taken to equity	-	-	(37,085)	(37,085)
Loss for the half year	-	(13,492)	-	(13,492)
<b>Total comprehensive loss for the half year, net of tax</b>	-	(13,492)	(37,085)	(50,577)
Distributions	-	-	-	-
<b>At 30 June 2009</b>	251,377	(61,826)	(9,522)	180,029

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements for the half year ended 30 June 2009

### 1. Corporate Information

The financial report of the Trust for the half year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 6<sup>th</sup> August 2009.

The Trust was constituted on 2 August 2005. The Responsible Entity of the Trust is RNY Australia Management Limited (“RAML”). The Responsible Entity’s registered office is at Level 56, MLC Centre, 19 Martin Place, Sydney 2000.

RNY Property Trust (“RNY”) is a trust limited by units incorporated in Australia. These units are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Trust are described in Note 10.

### 2. Basis of Preparation of the Half Year Financial Report

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of RNY Property Trust for the year ended 31 December 2008.

It is also recommended that the half year financial report be considered together with any public announcements made by RNY, its controlled entities and its associates during the half year ended 30 June 2009 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules.

#### (a) Basis of Accounting

This general purpose condensed financial report for the half year ended 30 June 2009 has been prepared in accordance with the Trust Constitution, AASB 134 “Interim Financial Reporting” and other mandatory financial reporting requirements.

The half year financial report has been prepared on a historical cost basis except for derivative financial instruments and investment properties that are held at fair value, and investments in associates that are equity accounted.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars per ASIC 98/100.

## **2. Basis of Preparation of the Half Year Financial Report (continued)**

### **(b) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Trust and its subsidiary as at 30 June 2009. Information from the financial statements of the consolidated entities is included from the date the parent entity obtained control.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent financial report.

### **(c) Changes in accounting policies**

From 1 January 2009 the Trust has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2009. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Trust. However the adoption of AASB 8 has caused the Trust to review its segment reporting disclosures. See note 10 for further details.

- *AASB 8 Operating Segments*
- *AASB 101 Revised Presentation of Financial Statements*

The following amending standards have also been adopted from 1 January 2009:

- *AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*
- *AASB 2007-8 Amendment to Australian Accounting Standards arising from AASB 101*
- *AASB 2008-5 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.*
- *AASB 2008-6 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.*
- *AASB 2008-7 Amendment to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.*

The Trust has not elected to early adopt any new standards or amendments.

**2. Basis of Preparation of the Half Year Financial Report (continued)**

**(d) Foreign currencies**

The functional currency of RNY's controlled entities and equity accounted investments is United States dollars.

As at the reporting date the US currency amounts are translated into Australian dollars as follows:

- the assets and liabilities of these entities are translated at the rate of exchange ruling at balance date of A\$1.00 = US\$0.81 (31 December 2008: A\$1.00 = US\$0.69) and
- the income statements of these entities are translated at the average rate for the period of A\$1.00 = US\$0.71 (30 June 2008: A\$1.00 = US\$0.93)

The exchange differences arising on the retranslation are taken directly to foreign currency translation reserve.

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**3. Investments held in US LLC**

**(a) Share of US LLC's investment properties**

	<b>Consolidated 30 Jun 2009 A\$'000</b>	<b>Consolidated 31 Dec 2008 A\$'000</b>
Investment properties held in equity accounted investments at fair value	507,733	633,909

The Trust has a 100% interest in Reckson Australia LPT Corp. (the "US REIT"), which in turn has a 75% interest in Reckson Australia Operating Company LLC (the "US LLC"), a Delaware Limited Liability Company that as of 30 June 2009 owned 25 investment properties (2008: 25 investment properties) in the New York Tri-State area. The amounts set out in this note represent the Trust's 75% interest in these properties. The owner of the remaining 25% interest is an affiliate of RXR Realty LLC ("RXR"), a private enterprise founded by Messrs Rechler, Maturo and Barnett (three directors of the Trust).

Under the structure created above, RNY (through the US REIT) and RXR exercise significant influence over the property investments held in the US LLC. RXR has retained considerable powers in relation to the control of the US LLC, both during the US LLC's operation and in the event of winding up. Accordingly the Trust has adopted the equity method of accounting for its investment in the US LLC.

Included in the carrying value of investment properties are the following:

Straight – line asset*	7,762	9,134
Lease commissions	9,059	9,123
Deferred revenues**	(3,613)	(4,041)
Total other investment value	<b>13,208</b>	<b>14,216</b>

\*Asset arising from recognising lease income on a straight line basis

\*\* Liability related to receipt of cash in advance of lease obligations

**(a) Reconciliation of Carrying Amounts**

A reconciliation of the carrying amount of property investments at the beginning and end of the financial period is set out below:

Carrying amount at the start of the period	633,909	553,757
Fair value adjustment	(36,568)	(82,406)
Other investment value	1,070	5,003
Capital additions	1,989	9,716
Foreign exchange (loss)/gain	(92,667)	147,839
Carrying amount at the end of the period	<b>507,733</b>	<b>633,909</b>

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**3. Investments held in US LLC (continued)**

**(b) Share of US LLC's liabilities**

	<b>Consolidated 30 Jun 2009</b>	<b>Consolidated 31 Dec 2008</b>
Current liabilities <sup>(i)</sup>	49,348	59,390
Non-current liabilities <sup>(ii)</sup>	295,417	345,989
<b>Total Liabilities</b>	<b>344,765</b>	<b>405,379</b>

(i) During the current period, the US LLC reversed A\$1.3 million of reserves that had been previously included in the share of US LLC's liabilities on the balance sheet. This amount has been included in rental income for the current period.

(ii) Non-current liabilities comprise:

Facility	US \$'000 @ 100% 30 Jun 2009	US \$'000 @100% 31 Dec 2008	AUD \$'000 @ 75% 30 Jun 2009	AUD \$'000 @75% 31 Dec 2008	Int Rate	Maturity Date
<i>Fixed rate commercial mortgages*</i>						
Tranche I mortgage	196,100	196,100	181,261	212,291	5.20%	Sep 2010
Tranche II mortgage	72,000	72,000	66,552	77,945	5.32%	Jan 2016
Tranche III mortgage	51,501	51,501	47,604	55,753	5.20%	Oct 2010
	319,601	319,601	295,417	345,989		
<i>Credit facility**</i>						
Revolving facility	44,000	44,000	40,670	47,632	variable	Sep 2009
<b>Total</b>	<b>363,601</b>	<b>363,601</b>	<b>336,087</b>	<b>393,621</b>		

\* The mortgages are secured over certain properties of the US LLC

\*\* The revolving credit facility is held jointly with Citicorp North America Inc., UBS Loan Finance LLC and Westdeutsche. The facility has a limit of US\$55 million at period end (31 Dec 2008: US\$55 million.) Interest on this facility is calculated as the Eurodollar rate plus 85 to 100 basis points based on the total leverage ratio. A facility fee of between 15 and 20 basis points is payable based on the average daily unused revolving credit commitment. The interest exposure on this facility is unhedged.

*Funding Note:*

The Credit Facility of US\$55m in the US LLC is due to expire on 21 September 2009. The facility is drawn down to US\$44m at 30 June 2009. The US LLC has contacted the agent lender for the Credit Facility and is negotiating with such lender to amend and extend this facility before such expiration date. If the US LLC is unable to successfully complete such extension, it may need to obtain secured loans on its five unencumbered assets. The US LLC has also engaged a mortgage broker and is marketing a secured financing of the unencumbered assets to lenders. These five assets have a fair value of approximately US\$87.2m as at 30 June 2009. The US LLC believes it is reasonably likely that it will be able to obtain one of the financings mentioned above to address the expiration of the Credit Facility.



**3. Investments held in US LLC (continued)**

**(b) Share of US LLC's liabilities (continued)**

The US LLC also has US\$248m of mortgage debt that is due to expire in September 2010. The US LLC has not yet entered discussions regarding the extension or refinancing of such debt but is considering financing solutions as well as other options necessary to address its obligations under such mortgage debt.

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**3. Share of US LLC's Investment Properties (continued)**

Details of appraisals of property investments held through controlled entities and associates as at 30 June 2009– amounts below represent the Consolidated Entity's

75% beneficial share of these properties at balance dates:

Amounts in US Dollars and Australian Dollars where indicated

Property Address	Date of Acquisition	Book Value	Book Value	Latest Independent Appraisal @ 75% US \$'000	Valuer	Date of Latest Independent Appraisal	Book Value	Book Value	Latest Independent Appraisal @ 75% AUD \$'000
		At 31 Dec 08 @75% US \$'000	At 30 Jun 09 @75% US \$'000				At 31 Dec 08 @75% AUD \$'000	At 30 Jun 09 @75% AUD \$'000	
35 Pinelawn Rd, Long Island	21 Sep 05	17,087	16,936	18,375	CBRE Inc	30 Apr 08	24,663	20,872	22,645
150 Motor Parkway, Long Island	21 Sep 05	27,946	27,698	31,125	CBRE Inc	30 Apr 08	40,337	34,135	38,358
660 White Plains Rd, Westchester County	21 Sep 05	32,312	30,523	35,625	CBRE Inc	30 Apr 08	46,639	37,617	43,904
100 Executive Dr, Nth New Jersey	21 Sep 05	10,463	9,375	9,375	CBRE Inc	30 Jun 09	15,102	11,554	11,554
100 Grasslands Rd, Westchester County	21 Sep 05	5,646	5,333	6,225	CBRE Inc	30 Apr 08	8,149	6,572	7,672
80 Grasslands Rd, Westchester County	21 Sep 05	10,272	9,703	11,325	CBRE Inc	30 Apr 08	14,827	11,958	13,957
200 Executive Dr, Nth New Jersey	21 Sep 05	10,246	9,433	11,175	CBRE Inc	30 Apr 08	14,789	11,625	13,772
492 River Rd, Nth New Jersey	21 Sep 05	28,079	26,684	30,675	CBRE Inc	30 Apr 08	40,529	32,885	37,804
225 High Ridge Rd, Fairfield County	21 Sep 05	52,050	47,783	52,050	CBRE Inc	31 Dec 08	75,129	58,888	64,146
300 Motor Parkway, Long Island	21 Sep 05	7,650	7,136	7,650	CBRE Inc	31 Dec 08	11,042	8,794	9,428
505 White Plains Rd, Westchester County	21 Sep 05	2,528	2,402	3,075	CBRE Inc	30 Apr 08	3,649	2,960	3,790
55 Charles Lindbergh Blvd, Long Island	21 Sep 05	28,971	26,550	26,550	CBRE Inc	30 Jun 09	41,817	32,720	32,720
200 Broadhollow Rd, Long Island	21 Sep 05	9,973	9,885	10,725	CBRE Inc	30 Apr 08	14,395	12,182	13,217
10 Rooney Circle, Nth New Jersey	21 Sep 05	6,675	6,168	6,675	CBRE Inc	31 Dec 08	9,635	7,602	8,226
560 White Plains Rd, Westchester County	21 Sep 05	13,605	12,450	12,450	CBRE Inc	30 Jun 09	19,638	15,343	15,343
555 White Plains Rd, Westchester County	21 Sep 05	12,238	11,448	12,675	CBRE Inc	30 Apr 08	17,664	14,109	15,621
6800 Jericho Turnpike, Long Island	6 Jan 06	27,375	25,323	27,375	CBRE Inc	31 Dec 08	39,513	31,208	33,737
6900 Jericho Turnpike, Long Island	6 Jan 06	13,166	11,475	11,475	CBRE Inc	30 Jun 09	19,004	14,142	14,142

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

Property Address	Date of Acquisition	Book Value	Book Value	Latest	Valuer	Date of Latest Independent Appraisal	Book Value	Book Value	Latest
		At 31 Dec 08	At 30 Jun 09	Independent Appraisal			At 31 Dec 08	At 30 Jun 09	Independent Appraisal
		@75% US \$'000	@75% US \$'000	@ 75% US \$'000			@75% AUD \$'000	@75% AUD \$'000	@75% AUD \$'000
710 Bridgeport Ave, Fairfield County	6 Jan 06	31,192	28,875	28,875	CBRE Inc	30 Jun 09	45,023	35,586	35,586
580 White Plains Rd, Westchester County	6 Oct 06	16,275	15,467	16,275	CBRE Inc	31 Dec 08	23,491	19,062	20,057
300 Executive Dr, Northern New Jersey	6 Oct 06	12,515	11,522	13,650	CBRE Inc	30 Apr 08	18,064	14,200	16,822
1660 Walt Whitman Rd, Long Island	6 Oct 06	11,717	11,775	11,775	CBRE Inc	30 Jun 09	16,912	14,512	14,512
520 Broadhollow Rd, Long Island	6 Oct 06	14,850	14,653	14,850	CBRE Inc	31 Dec 08	21,435	18,058	18,301
50 Marcus Drive, Long Island	6 Oct 06	34,570	32,265	35,850	CBRE Inc	30 Apr 08	49,898	39,763	44,182
1155 Railroad Avenue, Fairfield County	26 Jun 07	1,777	1,125	-	-	-	2,565	1,386	-
		439,178	411,987	445,875			633,909	507,733	549,496

(i) Appraisals were performed by CB Richard Ellis, Inc. – Valuation and Advisory Services.

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**4. Provision for distribution**

	<b>Consolidated 30 Jun 2009 A\$'000</b>	<b>Consolidated 31 Dec 2008 A\$'000</b>
Distribution payable	<u><u>-</u></u>	<u><u>5,927</u></u>
 <i>Distributions paid during the period:</i>		
Distribution for the six month period	<u><u>5,927</u></u>	<u><u>5,927</u></u>

The distribution for the six months to December 2008 amounted to 2.25 cents per unit (six months to 30 June 2008: 2.25 cents per unit)

**5. Preferred shares**

Preferred shares	<u><u>154</u></u>	<u><u>180</u></u>
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To comply with US regulations relating to US REITs, on 31 January 2006 an additional 125 persons were allotted shares in the US REIT at \$US1,000 per share. The preferred shares are not convertible into shares of any other class or series. An annual coupon rate of 12.5% applies to these shares. In accordance with Australian accounting standards, the preferred stock has been classified as long term debt and the amounts paid or payable to the preferred shareholders are included in interest expense.

**6. Units on Issue**

<b>Ordinary Units</b>	<b>Consolidated 30 Jun 2009 Units</b>	<b>Consolidated 31 Dec 2008 Units</b>
<b>(a) Movements in Ordinary units on issue</b>		
Units on issue at beginning of the period – fully paid	<u>263,413,889</u>	<u>263,413,889</u>
Units on issue at the end of the period – fully paid	<u><u>263,413,889</u></u>	<u><u>263,413,889</u></u>
 <b>(b) Movement in Ordinary units on issue</b>		
Issued equity at the beginning of the period	<u>251,377</u>	<u>251,377</u>
Issued equity at the end of the period	<u><u>251,377</u></u>	<u><u>251,377</u></u>

Each unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.

Ordinary units entitle the holder to one vote, either in person or by proxy, at a meeting of the Trust.

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**7. Earnings per unit**

	<b>Consolidated 30 Jun 2009 Cents</b>	<b>Consolidated 30 Jun 2008 Cents</b>
Basic and diluted earnings per unit	<u>(5.12)</u>	<u>2.45</u>
Adjusted basic earnings per unit*	<u>3.64</u>	<u>2.97</u>
*This calculation is based on the following adjusted net profit:	\$'000	\$'000
Consolidated net (loss)/profit attributable to RNY unitholders	(13,492)	6,444
Add: loss from investment property revaluations	36,568	7,863
less: unrealised derivative gain	(8,581)	(6,201)
Less: deferred tax benefit	<u>(4,902)</u>	<u>(270)</u>
Adjusted net profit used in calculation above	<u>9,593</u>	<u>7,836</u>

Earnings per unit are calculated by dividing the net profit attributable to unitholders for the period by the weighted average number of ordinary units on issue during the period. The weighted average number of units used in the calculation of earnings per unit is 263,413,889.

**8. Commitments and Contingencies**

*Commitments and contingencies of the US LLC*

(a) Leasing arrangements – commitments receivable

The US LLC enters into lease arrangements with the various tenants that occupy the 25 properties (2008: 25 properties) owned by the company in the New York Tri-State area.

The minimum lease payments receivable on fixed term non-cancellable leases of investment properties not recognised in the financial statements as receivables are as follows:

	<b>Consolidated 30 Jun 2009 A\$'000</b>	<b>Consolidated 30 Jun 2008 A\$'000</b>
Within 1 year	56,537	50,198
Later than 1 year but not later than 5 years	162,708	143,734
Later than 5 years	76,292	63,938
	<u><b>295,537</b></u>	<u><b>257,870</b></u>

Other than as outlined above, the consolidated entity had no other commitments or contingencies existing at balance date.

**Notes to the Financial Statements  
for the half year ended 30 June 2009**

**9. Net Asset Backing per Unit**

	<b>Consolidated 30 Jun 2009 A\$</b>	<b>Consolidated 31 Dec 2008 A\$</b>
Net asset backing per unit	\$0.68	\$0.88

Net asset backing per unit is calculated by dividing the equity attributed to unitholders of RNY by the number of ordinary units on issue being 263,413,889 units

**10. Segment information**

*Identification of reportable segments*

RNY has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the directors of the responsible entity (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

RNY's income is derived from indirect investments in office properties located outside Australia and from short term deposits and money market securities which are held for and are incidental to those property investments. Except for cash deposits held in Australia, all such investments are located in the United States.

RNY's equity accounted associate, the US LLC (refer note 3), is considered to be a single operating segment.

**11. Subsequent Events**

On 4 August 2009 the Trust eliminated its remaining outstanding foreign exchange derivative instruments at a cost of US\$132,000. The Trust is not a party to any other outstanding foreign exchange derivative instruments.

## Directors Declaration

In accordance with a resolution of the directors of RNY Australia Management Limited, the Responsible Entity of RNY Property Trust, I state that:

In the opinion of the directors:

- (a) the interim financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and the performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board  
RNY Australia Management Ltd  
ABN 65 114 294 281

/s/ Philip Meagher

Philip Meagher  
Director

Sydney, 6<sup>th</sup> August 2009

## To the unit holders of RNY Property Trust

### Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of RNY Property Trust (the 'Trust') and the entities which it controlled during the half year, which comprises the balance sheet as at 30 June 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the declaration by the directors of RNY Australia Management Limited, the Responsible Entity of the Trust.

### Directors' Responsibility for the Half Year Financial Report

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RNY Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the Directors' Report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of RNY Property Trust is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Conroy'.

Mark Conroy  
Partner  
Sydney  
6 August 2009