

28 February 2014

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

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**RNY Property Trust (ASX:RNY) Reports Full-Year Results for  
the Period Ended 31 December 2013**

**Distributable Earnings of A\$6.67 million on Net Profit of A\$11.138 million**

**RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust)** reported a net profit after tax of A\$11.138 million or A\$0.0423 per unit for the period ended 31 December 2013. Adjusting for the impact from certain non-cash items including property fair value adjustments and one-time gains related to debt restructuring and property conveyances, the Trust reported adjusted net profit after tax<sup>(1)</sup> of A\$4.729 million, or A\$0.0180 per unit and distributable earnings of A\$6.67 million, or A\$0.0253 per unit.

**Highlights & Summary Portfolio Performance**

- In July 2013, completed the restructuring of the US\$51.5 million portfolio loan that matured in October 2010;
- Reported leasing activity of 441,346 square feet on 61 transactions (14.8% of the total square feet in the portfolio);
- Occupancy at period end of 80.9%, down from 81.7% at 31 December 2012 (81.9% at 30 June 2013);
- Year-over-year same property NOI decreased 1.9%;
- Achieved a renewal rate of 85.3% for the period ended 31 December 2013;
- The Trust's share of the decrease in the valuation of the portfolio over the past 6 months is US\$4.763 million:

Revaluation Summary: (all amounts are in US\$000's)

Region	31-Dec	30-Jun	Change from 30 Jun 2013		31-Dec	Change from 31 Dec 2012	
	2013	2013	US\$	%	2012	US\$	%
Total Long Island	105,150	109,013	(3,863)	(3.5%)	106,088	(938)	(0.9%)
Total New Jersey	59,625	57,825	1,800	3.1%	57,038	2,588	4.5%
Total Westchester	89,850	93,000	(3,150)	(3.4%)	87,225	2,625	3.0%
Total Connecticut	61,500	61,050	450	0.7%	61,425	75	0.1%
Total Portfolio	<u>316,125</u>	<u>320,888</u>	<u>(4,763)</u>	<u>(1.5%)</u>	<u>311,775</u>	<u>4,350</u>	<u>1.4%</u>

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

As a result of the above, the average per square foot value of the portfolio decreased to US\$127 with an average terminal cap rate of 8.04% used to value the portfolio.

As previously announced, the Trust in July 2013 successfully completed the restructuring of the US LLC's US\$51.5 million CMBS loan (the "CMBS Loan") that had matured in October 2010. The CMBS Loan was collateralized by three properties,

ownership of which, as part of the restructuring, was transferred to a new JV (“BRE/Melville”), in which the US LLC owns an approximate 7.8% interest. Additionally, the Trust continues to suspend distributions to unitholders in order to maintain a stronger capital position, increase liquidity, and reduce debt.

On 12 February 2014, the Trust announced that affiliates of RXR Realty LLC (“RXR”), the indirect corporate parent of RAML, engaged in an exchange of joint-venture interests with one of its institutional partners. The result of the exchange is that RXR increased its indirect ownership in the RNY portfolio and its US asset manager.

Michael Maturo, President and Chief Financial Officer, commented: “We continue to manage the portfolio with a long-term outlook, positioning the portfolio in a manner to increase property values, with the ultimate goal of maximizing unitholder value.” Scott Rechler, Chairman and Chief Executive Officer, added: “The transaction we recently completed with our institutional partner demonstrates our continued commitment to RNY.”

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RXR. 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 operating and investment companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties.

Notes:

- (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 of the RNY Investor Presentation filed with the ASX on 28 February 2014 (such document may be viewed at [www.rnypt.com.au](http://www.rnypt.com.au) or [www.asx.com.au](http://www.asx.com.au)).

*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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For further information:

Investors

Francis Sheehan

Fund Manager

Tel: 02 9293 2910

Fax: 02 9293 2912

e-mail: [fsheehan@rxrrealty.com](mailto:fsheehan@rxrrealty.com)