

4 July 2013

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

RNY Property Trust (ASX:RNY) Debt Update

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reported that on 3 July 2013 it completed a restructuring of the US LLC's US\$51.5 million CMBS loan (the "CMBS Loan") which matured in October 2010. Such CMBS Loan consisted of a US\$31.5 million A-note (the "A-note") and a US\$20 million B-note (the "B-note"), and was collateralized by three properties (the "Properties") valued at US\$43.8 million at 31 December 2012.

As part of such restructuring the US LLC (75% of which is indirectly owned by the Trust) transferred ownership of the Properties to a newly-formed joint-venture (the "JV"), between the owner of the B-note and the US LLC. The B-note owner contributed its US\$20 million B-note and cash to the JV in return for an approximate 92.2% ownership interest in such JV. The US LLC contributed US\$500,000 to the JV in exchange for an approximate 7.8% ownership interest in such JV. As a result, the JV owns the Properties, which remain encumbered by the A-note. The B-note owner will act as the managing member of such JV, while the US LLC will continue to operate the Properties.

With regards to the A-note, the lender extended such note for two years (with an additional two-year extension, subject to certain reserve funding requirements), waived all accrued and unpaid default interest (approximately US\$4.3 million as of June 30, 2013) and left the interest rate unchanged at 5.2%. Additionally, the lender utilized the net cash remaining in the lender controlled accounts to: (i) establish tax, insurance and working capital reserves, (ii) reimburse themselves for property costs paid out of lender's funds, (iii) pay certain closing expenses, and (iv) pay down the A-note to approximately US\$27.4 million at closing.

Pursuant to the terms of the JV, the US LLC will have the ability to (i) participate in cash distributions from the JV on a pro-rata basis after the payment of certain reserves and other items, and (ii) share in promote fees based on various return hurdles.

Future capital contributions of the JV are to be funded pro-rata by the JV partners. Although there is no legal obligation to make such contributions, failure to do so will result in the dilution of such party's interest.

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 statements 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.

For further information:

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