Appendix 4D

Half year report
for the period ended 30 June 2013

Name of entity	RNY Property Trust
ARSN	115 585 709
Reporting period	Six month period ended 30 June 2013
Previous corresponding period	Six month period ended 30 June 2012

Results for announcement to market

Financial Performance

	A $'000
Revenue from ordinary activities	Down 48.8% to 42,261
Profit/(loss) from ordinary activities after tax attributable to unitholders	Down 73.7% to 8,265
Net profit/(loss) for the period attributable to unitholders	Down 73.7% to 8,265

Distribution

Current Period	***Amount per unit***	***Tax Deferred***
Interim Distribution	Nil	N/A
Previous Corresponding Period:		
Interim Distribution	Nil	N/A

Record date for determining entitlement to the distribution for the period ended 30 June 2013	N/A
Date the June 2013 distribution is payable	N/A
Tax advantage component of the June 2013 distribution	N/A
The taxable component of the June 2013 distribution comprises: Australian sourced income Foreign sourced income	 N/A N/A
Foreign tax credit per unit	N/A

The attached half year financial information should be read in conjunction with the annual Financial Report of RNY Property Trust for the year ended 31 December 2012.

RNY Property Trust

ARSN 115 585 709

Financial Report
For the Half Year Ended 30 June 2013

RNY PROPERTY TRUST
CONTENTS

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 and its controlled entities, together known as the "Group", for the half year ended 30 June 2013.

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 2000.

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 2000. The Trust has a 100% interest in RNY Australia LPT Corp. (the "US REIT"), which in turn has a 75% interest in RNY Australia Operating Company LLC (the "US LLC"), a Delaware Limited Liability Company that as of 30 June 2013 owned 24 office properties (2012: 24 office 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 distributions were paid to unitholders for the half year ended 30 June 2013 and no provision for distribution has been recognised in the current period.

Review of Operations

Results
The consolidated net profit of the Group is presented in the Statement of Comprehensive Income. Net profit attributable to the members of the Group for the half year ended 30 June 2013 was $8,264,544 (30 June 2012: Profit $31,451,812).

The Trust executed 44 lease transactions during the period totalling 281,715 square feet (8.5% of the portfolio). The Trust's portfolio reported an occupancy rate, at period end, of 80.1 %, achieved a renewal rate, during the period, of 79.1%, and reported a decrease of 2.3% in year-over-year, same property net operating income.

Investment properties
At 30 June 2013 the US LLC obtained independent valuations on five of its investment properties and assessed the carrying value of its remaining investment properties which resulted in an increase in investment property book values of approximately US$11.55 million (31 December 2012: increase of US$9.25 million).

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

Matters subsequent to the end of the financial period

On 3 July 2013 the US LLC completed a restructuring of its US$51.5 million CMBS loan (the "CMBS Loan") which matured in October 2010. Such CMBS Loan consisted of a US$31.0 million A-note (the "A-note") and a US$20.5 million B-note (the "B-note"), and was collateralized by three properties (the "Properties") valued at US$43.2 million at 30 June 2013.

As part of such restructuring the US LLC 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$20.5 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. As a result of such restructuring, the US LLC will recognize a gain of approximately US$9.0 million in its full year financials.

With regards to the A-note, the lender extended such note until October 2014 (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 30 June 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.

Likely developments and expected results of operations

The Trust's management is presently focused on cash management and continuing to build and maintain occupancy. The Trust will seek to conserve cash by limiting base building capital expenditures to essential projects, continuing to hold back on distributions to unitholders, and seeking to strategically and selectively use cash in support of leasing efforts.

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 2013 (31 December 2012: 263,413,889 units).

Interests of Responsible Entity

The Responsible Entity held no units in the Trust at 30 June 2013 (31 December 2012: Nil).

Indemnification and Insurance of Officers and Auditors
During the six months to 30 June 2013 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 5.

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

/s/ Philip Meagher

Philip Meagher
Director
Dated this 8th day of August 2013 in Sydney

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Auditor's Independence Declaration to the directors of RNY Australia Management Limited as Responsible Entity for RNY Property Trust

In relation to our review of the financial report of RNY Property Trust for the half-year ended 30 June 2013, 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.

Ernst & Young

Chris Lawton
Partner
8 August 2013

Statement of Comprehensive Income
for the half year ended 30 June 2013

	Notes	Consolidated 30 June 2013 A$'000	Consolidated 30 June 2012 A$'000
CONTINUING OPERATIONS			
Revenue and other income			
Rental income from investment properties		33,967	32,652
Other income		517	679
Gain from investment property valuations	3(a)	7,775	-
Gain on extinguishment of debt	4(c)	-	49,147
Interest income		2	2
Total revenue and other income		42,261	82,480
Expenses			
Property expenses		17,027	17,145
Borrowing costs		11,459	12,318
Loss from investment property valuations		-	8,425
Other investment property expenses		1,333	1,322
Administration expenses		77	93
Management fees		772	751
Other expenses		191	180
Total expenses		30,859	40,234
Profit from continuing operations before income tax benefit		11,402	42,246
Income tax benefit		-	-
NET PROFIT FROM CONTINUING OPERATIONS AFTER TAX		11,402	42,246
OTHER COMPREHENSIVE GAIN/(LOSS) - RECYCLABLE			
Foreign currency translation gain (net of tax)		18,258	319
Gain/(loss) on financial instrument hedge (net of tax)		2,064	(3,084)
Other comprehensive gain/(loss) for the period, net of tax		20,322	(2,765)
TOTAL COMPREHENSIVE GAIN FOR THE PERIOD		31,724	39,481
Profit from continuing operations after tax is attributable to:			
Unitholders of RNY		8,265	31,452
Non-controlling interest		3,137	10,794
		11,402	42,246
Total comprehensive profit for the period is attributable to:			
Unitholders of RNY		23,383	29,379
Non-controlling interest		8,341	10,102
		31,724	39,481
Basic and diluted earnings per unit from continuing operations attributable to RNY Unitholders (cents)		3.14	11.94

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

Balance Sheet
as at 30 June 2013

	Notes	Consolidated As at 30 Jun 2013 A$'000	As at 31 Dec 2012 A$'000
Current assets			
Cash and cash equivalents		19,424	13,400
Trade and other receivables		934	826
Other current assets		12	36
Total current assets		20,370	14,262
Non-current assets			
Investment properties	3	507,871	442,507
Other non-current assets		19,725	21,761
Total non-current assets		527,596	464,268
Total assets		547,966	478,530
Current liabilities			
Trade and other payables		21,119	16,747
Secured borrowings – current	4(a)	55,560	49,626
Derivative financial instruments		1,137	1,364
Total current liabilities		77,816	67,737
Non current liabilities			
Secured borrowings – non current	4(b)	291,492	261,592
Derivative financial instruments		522	2,359
Preferred shares	5	135	120
Total non-current liabilities		292,149	264,071
Total liabilities		369,965	331,808
Net assets		178,001	146,722
Unitholders' Equity			
Units on issue	6	251,377	251,377
Reserves	7	(29,272)	(44,390)
Accumulated losses		(89,741)	(98,006)
		132,364	108,981
Non-controlling interest		45,637	37,741
TOTAL EQUITY		178,001	146,722

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

Cash Flow Statement
for the half year ended 30 June 2013

	Consolidated 30 Jun 2013 A$'000	Consolidated 30 Jun 2012 A$'000
Cash flows from operating activities		
Receipts from customers	31,720	33,639
Payments to suppliers	(15,912)	(17,141)
Interest received	2	2
Interest and borrowing costs paid	(7,878)	(11,934)
Net cash inflow from operating activities	7,932	4,566
Cash flows from investing activities		
Payments for property plant & equipment	(1,527)	(2,145)
Payments for deferred leasing costs	(1,021)	(259)
Repayment of note receivable	17	-
Net cash outflow from investing activities	(2,531)	(2,404)
Cash flows from financing activities		
Proceeds from new borrowings	-	156,020
Repayment of borrowings	(1,260)	(156,986)
Debt raising costs paid	-	(3,451)
Distributions paid to minority shareholders	(445)	(290)
Net cash outflow from financing activities	(1,705)	(4,707)
Net increase/(decrease) in cash and cash equivalents	3,696	(2,545)
Cash and cash equivalents at beginning of period	13,400	13,430
Net foreign exchange differences	2,328	115
Cash and cash equivalents at end of period	19,424	11,000

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 2013

	Note	Units on Issue	Accumulated Loss	Reserves	Owners of RNY	Non-controlling interest	Total Equity
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
CONSOLIDATED							
At 1 January 2012		251,377	(136,848)	(39,898)	74,631	26,135	100,766
Foreign currency translations taken to equity							
- recyclable		-	-	240	240	79	319
Fair value movement of derivatives							
- recyclable		-	-	(2,313)	(2,313)	(771)	(3,084)
Profit for the half year		-	31,452	-	31,452	10,794	42,246
Total comprehensive profit for the half year, net of tax		-	31,452	(2,073)	29,379	10,102	39,481
Distributions		-	-	-	-	(290)	(290)
At 30 June 2012		251,377	(105,396)	(41,971)	104,010	35,947	139,957

	Note	Units on Issue	Accumulated Loss	Reserves	Owners of RNY	Non-controlling interest	Total Equity
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
CONSOLIDATED							
At 1 January 2013		251,377	(98,006)	(44,390)	108,981	37,741	146,722
Foreign currency translations taken to equity							
- recyclable		-	-	13,570	13,570	4,688	18,258
Fair value movement of derivatives							
- recyclable		-	-	1,548	1,548	516	2,064
Profit for the half year		-	8,265	-	8,265	3,137	11,402
Total comprehensive profit for the half year, net of tax		-	8,265	15,118	23,383	8,341	31,724
Distributions		-	-	-	-	(445)	(445)
At 30 June 2013		251,377	(89,741)	(29,272)	132,364	45,637	178,001

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

1. Corporate Information

The financial report of RNY Property Trust ("RNY" or the "Trust") for the half year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 8th August 2013.

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 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 13.

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 for the year ended 31 December 2012.

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 2013 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 2013 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.

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, RNY Australia LPT Corporation (the "US REIT"), along with the US REITs investment in RNY Australia Operating Company LLC (the "US LLC") together known as the "Group" as at 30 June 2013.

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

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

From 1 January 2013 the Trust has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 January 2013. Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Trust.

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of interests in other entities*
- AASB 13 *Fair Value Measurement*

An assessment is ongoing regarding the impact of AASB 10 on RNYPT's ownership structure. A number of interpretative issues remain to be resolved with the regulator. It is expected that the final position on the impact of AASB 10 will be reached prior to 31 December 2013 however in the absence of a definitive conclusion, RNYPT continues to apply consolidation accounting for the half year ended 30 June 2013.

The following amending standards have also been adopted from 1 January 2013:

- AASB 2011-8 *Amendments to AAS arising from AASB 13*
- AASB 2011-9 *Amendments to AAS – Presentation of OCI items*
- AASB 2012-2 *Amendments to AAS – Offsetting financial assets and liabilities*
- AASB 2012-3 *Amendments to AAS – Offsetting financial assets and liabilities*

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 the US REIT and US LLC 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 the balance sheet date of A$1.00 = US$0.93 (31 December 2012: A$1.00 = US$1.04) and
- the Statement of Comprehensive Income of these entities are translated at the average rate for the period of A$1.00 = US$1.02 (30 June 2012: A$1.00 = US$1.03)

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

(e) Investment Properties

The Group's investment properties are carried at fair value. Independent valuations of investment properties are obtained at intervals of not more than three years from suitably qualified property valuers. Such valuations are reflected in the consolidated financial statements of the Group. Notwithstanding, the directors of US REIT and the Responsible Entity assess the carrying value of each investment property at each reporting date to ensure that the carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, the relevant assets are adjusted to their fair value.

The prime valuation methodology used by the property valuers in determining fair value, is to discount the expected net cash flows to their present value using a market determined risk-adjusted discount rate applicable to the respective asset. For assets which have not been externally valued at reporting date, a similar valuation methodology has been used by the directors of RAML. Changes in fair value of an investment property are recorded in the statement of comprehensive income.

Expenditure capitalised to properties include the costs of acquisition, capital and refurbishment additions. Land and buildings are considered to have the function of an investment and are therefore regarded as a composite asset. The buildings and components thereof (including plant and equipment) are not depreciated.

(f) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting period for which they were designated.

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

(f) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement (continued)

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

Cash flow hedges

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

For cash flow hedges that meet the strict criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement as other operating expenses. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

The Group does not enter into derivative financial instrument for trading or speculative purposes.

(g) Interest bearing loans and borrowings

Loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3. Investment Properties

(a) Summary

	Consolidated 30 Jun 2013 A$'000	Consolidated 31 Dec 2012 A$'000
Investment properties at fair value	507,871	442,507

The Trust has an interest in property investments, through the indirect holding of a 75% interest in the US LLC.

Included in the carrying value of investment properties are the following:		
Straight – line asset*	12,575	10,308
Lease commissions	10,147	8,702
Deferred revenues**	(2,602)	(3,773)
Total other investment value	**20,120**	**15,237**

*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	442,507	450,768
Fair value adjustment	7,775	(2,625)
Capital additions	1,619	4,992
Other investment value	3,060	(885)
Foreign exchange gain/(loss)	52,910	(9,743)
Carrying amount at the end of the period	**507,871**	**442,507**

3. Investment Properties (continued)

(b) Table of properties

The attached table shows details of property investments held through controlled entities as at 30 June 2013. Amounts are in US Dollars and Australian Dollars where indicated.

Property Address	Date of Acquisition	Region	Book Value At 31 Dec 12 @100% US $'000	Book Value At 30 Jun 13 @100% US $'000	Latest Independent Appraisal[i] @100% US $'000	Date of Latest Independent Appraisal	Book Value At 31 Dec 12 @100% AUD $'000	Book Value At 30 Jun 13 @100% AUD $'000	Latest Independent Appraisal[i] @100% AUD $'000
35 Pinelawn Rd, Long Island	21 Sep 05	Long Island	16,600	16,800	15,300	31 Dec 11	15,986	18,113	16,496
150 Motor Parkway, Long Island	21 Sep 05	Long Island	27,700	27,900	26,500	30 Jun 12	26,676	30,081	28,571
660 White Plains Rd, Westchester County	21 Sep 05	Westchester	34,000	35,300	31,000	31 Dec 11	32,743	38,059	33,423
100 Executive Dr, Nth New Jersey	21 Sep 05	New Jersey	8,600	8,450	8,600	30 Jun 12	8,282	9,111	9,272
100 Grasslands Rd, Westchester County	21 Sep 05	Westchester	9,550	10,400	10,400	30 Jun 13	9,197	11,213	11,213
80 Grasslands Rd, Westchester County	21 Sep 05	Westchester	14,150	14,700	14,000	30 Jun 12	13,627	15,849	15,094
200 Executive Dr, Nth New Jersey	21 Sep 05	New Jersey	9,700	9,700	9,700	31 Dec 11	9,341	10,458	10,458
492 River Rd, Nth New Jersey	21 Sep 05	New Jersey	37,450	37,450	37,800	30 Jun 11	36,065	40,377	40,755
225 High Ridge Rd, Fairfield County	21 Sep 05	Connecticut	43,400	43,900	42,200	31 Dec 11	41,795	47,332	45,499
300 Motor Parkway, Long Island	21 Sep 05	Long Island	7,300	7,400	7,300	31 Dec 12	7,030	7,979	7,871
505 White Plains Rd, Westchester County	21 Sep 05	Westchester	2,800	2,900	2,900	31 Dec 10	2,696	3,127	3,127
55 Charles Lindbergh Blvd, Long Island	21 Sep 05	Long Island	36,000	39,150	35,000	31 Dec 11	34,669	42,210	37,736
200 Broadhollow Rd, Long Island	21 Sep 05	Long Island	10,800	10,900	10,800	31 Dec 12	10,401	11,752	11,644
10 Rooney Circle, Nth New Jersey	21 Sep 05	New Jersey	5,500	6,800	6,800	30 Jun 13	5,296	7,332	7,332
560 White Plains Rd, Westchester County	21 Sep 05	Westchester	16,000	16,400	16,400	30 Jun 11	15,408	17,682	17,682
555 White Plains Rd, Westchester County	21 Sep 05	Westchester	14,400	17,800	17,800	30 Jun 13	13,867	19,191	19,191
6800 Jericho Turnpike, Long Island	6 Jan 06	Long Island	28,200	28,300	28,200	31 Dec 12	27,157	30,512	30,404
6900 Jericho Turnpike, Long Island	6 Jan 06	Long Island	14,850	14,900	14,900	30 Jun 13	14,301	16,065	16,065

3. Investment Properties (continued)
(b) Table of properties (continued)

Property Address	Date of Acquisition	Region	Book Value At 31 Dec 12 @100% US $'000	Book Value At 30 Jun 13 @100% US $'000	Latest Independent Appraisal(i) @ 100% US $'000	Date of Latest Independent Appraisal		Book Value At 31 Dec 12 @100% AUD $'000	Book Value At 30 Jun 13 @100% AUD $'000	Latest Independent Appraisal(i) @100% AUD $'000
710 Bridgeport Ave, Fairfield County	6 Jan 06	Connecticut	38,500	37,500	37,500	30 Jun 13		37,076	40,431	40,431
580 White Plains Rd, Westchester County	6 Oct 06	Westchester	25,400	26,500	25,400	31 Dec 12		24,461	28,571	27,385
300 Executive Dr, Nth New Jersey	6 Oct 06	New Jersey	14,800	14,700	14,800	31 Dec 12		14,253	15,849	15,957
1660 Walt Whitman Rd, Long Island	6 Oct 06	Long Island	10,900	10,900	10,900	30 Jun 12		10,497	11,752	11,752
520 Broadhollow Rd, Long Island	6 Oct 06	Long Island	9,600	9,400	9,600	30 Jun 12		9,245	10,135	10,350
50 Marcus Drive, Long Island	6 Oct 06	Long Island	23,300	22,900	23,300	30 Jun 12		22,438	24,690	25,121
			459,500	471,050	457,100			442,507	507,871	492,829

(i) CB Richard Ellis, Inc. – Valuation and Advisory Services ("CBRE") performed appraisals for five of the Group's properties at 30 June 2013 as noted above. Internal appraisals were then performed at balance date on the remainder of the properties based on capitalisation rates advised by CBRE. In addition CBRE performed appraisals for the remainder of the Group's properties at the appraisal dates shown above.

Representative market capitalisation rates and discount rates for each of the geographical regions in which the Group owns properties are as follows:

Region	Market Capitalisation Rate	Discount Rate
Westchester	7.75%	8.60%
Long Island	7.84%	8.76%
New Jersey	8.68%	9.36%
Connecticut	8.48%	8.58%

3. Investment Properties (continued)

(c) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of investment properties by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group used Level 3 valuation techniques to determine the fair value of the investment properties held at 30 June 2013 and 31 December 2012. There were no transfers between Level 1, 2 and 3 during the respective periods.

(d) Sensitivity analysis

The Group’s properties are susceptible to changes in the discount rates used in the property valuation process. A reasonable and possible increase in these rates of 10 basis points (+0.1%) could have an impact of approximately $5.3 million decrease on the net profit and equity of the Group. A reasonable and possible decrease in these rates of 10 basis points (-0.1%) could have an impact of approximately $5.4 million increase in the net profit and equity of the Group.

4. Secured borrowings
(a) Current secured borrowings:

Facility	US $'000 30 Jun 2013	US $'000 31 Dec 2012	AUD $'000 30 Jun 2013	AUD $'000 31 Dec 2012	Int Rate	Maturity Date
*Fixed rate commercial mortgages***						
Tranche III mortgage*	51,532	51,532	55,560	49,626	5.20%	Oct 2010
Total	**51,532**	**51,532**	**55,560**	**49,626**		

*The Tranche III mortgage matured in October 2010. The terms of this loan agreement allows for penalty interest at a rate of 3.0% above the fixed rate to be charged on the mortgage from the loan maturity date, however interest continues to be paid on this loan at the 5.2% fixed rate. Unpaid penalty interest has been accrued in the accounts.
On 3 July 2013 the US LLC completed a restructuring of this loan. Refer to Note 14 Subsequent Events for further details of the restructure.

(b) Non-current secured borrowings:

Facility	US $'000 30 Jun 2013	US $'000 31 Dec 2012	AUD $'000 30 Jun 2013	AUD $'000 31 Dec 2012	Int Rate	Maturity Date
*Fixed rate commercial mortgages***						
Tranche II mortgage	72,000	72,000	77,628	69,337	5.32%	Jan 2016
Dec 2009 mortgage	41,307	41,741	44,536	40,198	6.125%	Jan 2017
Mezzanine loan	36,000	36,000	38,814	34,669	*see note (b)*	May 2017
Floating rate commercial mortgages						
Senior Bank loan	121,051	121,896	130,514	117,388	*see note (a)*	May 2017
Total	**270,358**	**271,637**	**291,492**	**261,592**		

** These mortgages are secured over certain properties of the US LLC.

Note (a). The Senior Bank loan bears interest at a variable rate of LIBOR plus 3.95% per annum. The US LLC has entered into an interest rate swap agreement which fixes LIBOR at approximately 1.33% per annum. As a result, the Senior Bank loan bears interest at an all in rate of approximately 5.28% per annum for the term of the loan.

Note (b). The Mezzanine loan accrues interest at a fixed rate of 13% per annum to maturity. Interest only payments are required at a fixed rate of 6% per annum in year one, 8% per annum in year two and 13% per annum thereafter to maturity. Accrued and unpaid interest is due at maturity.

4. Secured borrowings (continued)

(c) Gain on extinguishment of debt

On 7 April 2012 RNY completed a discounted pay-off and refinancing of the US LLC's US$196.1 million CMBS loan which had matured on 11 September 2010. The total discounted amount shown in the comparative Statement of Comprehensive Income as a Gain on extinguishment of debt of AU$49.147 million (US$50.764 million) was comprised of gains relating to forgiveness of debt, default interest write-off, lender cash allocated to escrows and lender closing costs expensed.

(d) Current funding:

At 30 June 2013 the current liabilities of the US LLC were greater than the current assets. The resulting net current deficit is partly attributable to the penalty interest that was being accrued, but not paid, on behalf of the US$51.5 million CMBS Loan (the "CMBS Loan") and a derivative liability associated with the Senior Bank loan listed in this Note. Refer to Note 14 Subsequent Events for further details on the CMBS Loan.

5. Preferred shares

	Consolidated 30 Jun 2013 A$'000	Consolidated 31 Dec 2012 A$'000
Preferred shares	**135**	**120**

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 US$1,000 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

Ordinary Units	**Consolidated 30 Jun 2013 Units**	**Consolidated 31 Dec 2012 Units**
(a) Movements in Ordinary units on issue		
Units on issue at beginning of the period – fully paid	263,413,889	263,413,889
Units on issue at the end of the period – fully paid	263,413,889	263,413,889

	Consolidated 30 Jun 2013 A$'000	**Consolidated 31 Dec 2012 A$'000**
(b) Movement in issued equity		
Issued equity at the beginning of the period	251,377	251,377
Issued equity at the end of the period	**251,377**	**251,377**

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.

7. Reserves

	Consolidated 30 Jun 2013 $'000	**Consolidated 31 Dec 2012 $'000**
Foreign currency translation reserve	(28,028)	(41,598)
Cash flow hedge reserve	(1,244)	(2,792)
	(29,272)	**(44,390)**
Movement in foreign currency translation reserve (i)		
Balance at the beginning of the year	(41,598)	(39,898)
Profit/(loss) on translation of controlled foreign entities	13,570	(1,700)
Balance at end of the year	**(28,028)**	**(41,598)**

(i) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Movement in cash flow hedge reserve		
Balance at the beginning of the period	(2,792)	-
Profit/(loss) on revaluation of derivatives	1,548	(2,792)
Balance at end of the period	**(1,244)**	**(2,792)**

8. Earnings per unit

	Consolidated 30 Jun 2013 Cents	Consolidated 30 Jun 2012 Cents
Basic and diluted earnings per unit	3.14	11.94

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.

Adjusted basic earnings per unit*	0.92	0.35
*This calculation is based on the following adjusted net profit:	$’000	$’000
Total comprehensive profit attributable to RNY unitholders	23,383	29,379
(less)/add: (gain)/loss from investment property revaluations	(5,831)	6,319
less: gain on extinguishment of debt	-	(36,860)
(less)/add: (gain)/loss on financial instrument hedge	(1,548)	2,313
less: foreign currency gain	(13,570)	(240)
Adjusted net profit used in calculation above	2,434	911

9. 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 24 of the properties (2012: 24 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:

	Consolidated 30 Jun 2013 A$’000	Consolidated 30 Jun 2012 A$’000
Within 1 year	57,637	54,455
Later than 1 year but not later than 5 years	138,181	129,382
Later than 5 years	41,859	48,542
	237,677	**232,379**

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

10. Distribution Statement

	Consolidated	
	30 Jun 2013 A$'000	**30 Jun 2012 A$'000**
Total comprehensive profit for the period attributable to unitholders of RNY	23,383	29,379
Adjusted for RNY share of:		
(Gain)/loss from investment property revaluations	(5,831)	6,319
Straight lining of rental income	(757)	252
Gain on extinguishment of debt	-	(36,860)
Mortgage cost amortisation	366	222
Leasing cost amortisation	872	868
(Gain)/loss on financial instrument hedge	(1,548)	2,313
Foreign currency translation gain	(13,570)	(240)
INCOME AVAILABLE FOR DISTRIBUTION	2,915	2,253
Amounts retained	(2,915)	(2,253)
DISTRIBUTION PAYABLE	-	-
Distribution per unit (cents)	-	-

No distribution was paid to unitholders for the half year ended 30 June 2013 and no provision for distribution has been recognised in the current period.

11. Financial instruments

(a) Net fair values

Set out below is a comparison of the carrying values and fair values of certain of the Group's financial liabilities included in the Balance Sheet. Refer to Note 2 for the methods and assumptions adopted in determining net fair values.

	Consolidated	
	Carrying amount A$'000	**Fair value A$'000**
Financial liabilities		
Current		
Secured borrowings – Tranche 3 mortgage	55,560	39,388
Derivatives – interest rate swaps	1,137	1,137
Total current liabilities	56,697	40,525
Non-current liabilities		
Secured borrowings – Tranche 2 mortgage	77,628	78,230
Secured borrowings – Dec 2009 mortgage	44,536	43,546
Secured borrowings – Senior bank loan	130,514	132,132
Mezzanine loan	38,814	41,271
Derivatives - interest rate swaps	522	522
Total non-current liabilities	292,014	295,701
Total financial liabilities	348,711	336,226

For the following financial instruments, the carrying amounts shown in the balance sheet reasonably approximate their fair value at balance date:

Current assets
Cash and cash equivalents
Trade and other receivables

Current liabilities
Trade and other payables
Preferred shares

11. Financial instruments (continued)

(b) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2013, the Group held the following classes of financial instruments measured at fair value. There were no transfers between Level 1, 2 and 3 during the year.

	Consolidated 30 Jun 2013	Level 1	Level 2	Level 3
	A$'000	A$'000	A$'000	A$'000
Derivatives – interest rate swaps	1,659	-	1,659	-

The Group enters into derivative financial instruments principally with financial institutions with investment grade credit ratings. These are valued using valuation techniques with market observable inputs.
The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves of the underlying interest rate swap.

12. Net Asset Backing per Unit

	Consolidated 30 Jun 2013	Consolidated 31 Dec 2012
	A$	A$
Net asset backing per unit	$0.50	$0.41

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

13. Segment reporting

The Group has identified its operating segment based on internal reports that are reviewed and used by the Board of Directors of the Responsible Entity (the chief operating decision makers) in assessing the performance and in determining the allocation of resources.

The Group's management has determined that RNY has one operating segment, represented by the investment in the US LLC.

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

The performance measures used by management differ from those disclosed in the Statement of Comprehensive Income as certain adjustments are made to arrive at an adjusted net profit or loss which better facilitates the decision making of the chief operating decision makers. The adjustments made to the segment result are detailed in Note 8 of these accounts. A reconciliation of adjusted net profit to the consolidated net loss shown in the statement of comprehensive income is also provided in the note.

Segment revenues are derived from a broad tenant base across the 24 operating properties owned by the Group. There is no single tenant providing revenues greater than 10% of the segment's total income.

14. Subsequent Events

On 3 July 2013 the US LLC completed a restructuring of its US$51.5 million CMBS loan which matured in October 2010. Such CMBS Loan consisted of a US$31.0 million A-note (the "A-note") and a US$20.5 million B-note (the "B-note"), and was collateralized by three properties (the "Properties") valued at US$43.2 million at 30 June 2013.

As part of such restructuring the US LLC 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$20.5 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. As a result of such restructuring, the US LLC will recognize a gain of approximately US$9.0 million in its full year financials.

With regards to the A-note, the lender extended such note until October 2014 (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 30 June 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.

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 2013 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, 8th August 2013

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To the members of RNY Property Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RNY Property Trust, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, and the directors' declaration of RNY Australia Management Limited, the Responsible Entity of the consolidated entity comprising the Trust and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2013 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 and the entities it controlled during the half-year, 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:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Chris Lawton
Partner
Sydney
8 August 2013