

24 February 2017

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

**RNY Property Trust (ASX:RNY) Reports Full-Year Results for
the Period Ended 31 December 2016**

Distributable Earnings of A\$1.805 million on Net Loss of A\$50.6 million

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reported a net loss after tax of A\$50.592 million or A\$0.1921 per unit for the period ended 31 December 2016. Adjusting for the impact from certain non-cash items including property fair value adjustments, the Trust reported adjusted net loss after tax⁽¹⁾ of A\$1.696 million, or A\$0.0064 per unit and distributable earnings of A\$1.805 million, or A\$0.0069 per unit.

Highlights & Summary Portfolio Performance

- Reported leasing activity of 403,826 square feet for the full year period;
- Achieved a renewal rate of 84.4% for the for the full year period;
- Occupancy at period end of 74.5%, compared to 74.9% at 31 December 2015 and 75.2% at 30 June 2016, respectively⁽²⁾;
- Closed on the sale of 300 Motor Parkway on 20 December 2016;
- As required by the SunTrust/Torchlight loan documents, 8 of the 9 properties in this debt pool were marketed for sale and subsequent to period end, 2 of the assets were sold and 6 of the properties currently have signed sales contracts;
- The Trust's share of the decrease in the valuation of the portfolio over the past 6 months is US\$31.3 million (representing a 13.1% discount from 30 June 2016):

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

| Region | 31-Dec | 30-Jun | Change from 30 June 2016 | | 31-Dec | Change from 31 December 2015 | |
|-------------------|----------------|----------------|--------------------------|----------------|----------------|------------------------------|----------------|
| | 2016 | 2016 | US\$ | % | 2015 | US\$ | % |
| Total Long Island | 71,006 | 65,888 | 5,118 | 7.8% | 70,688 | 318 | 0.4% |
| Total New Jersey | 38,100 | 45,675 | (7,575) | (16.6%) | 48,900 | (10,800) | (22.1%) |
| Total Westchester | 63,454 | 76,500 | (13,046) | (17.1%) | 79,050 | (15,596) | (19.7%) |
| Total Connecticut | 35,775 | 51,563 | (15,788) | (30.6%) | 53,250 | (17,475) | (32.8%) |
| Total Portfolio | <u>208,335</u> | <u>239,626</u> | <u>(31,291)</u> | <u>(13.1%)</u> | <u>255,488</u> | <u>(43,553)</u> | <u>(17.0%)</u> |

Note: Represents RNY's 75% interest. Prior periods have been adjusted to exclude 200 Broadhollow Road sold on 30 June 2016 and 300 Motor Parkway on 12/20/2016

As a result of the above, the average per square foot value of the portfolio was US\$98 with an average terminal cap rate of 8.02% used to value the 7 assets that were appraised as of 31 December 2016.

The Trust continues to suspend distributions to unitholders in order to maintain a stronger capital position, increase liquidity, and reduce debt.

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 loss after tax and A-NPAT, please see slide 2 of the RNY Investor Presentation filed with the ASX on 24 February 2017 (such document may be viewed at www.rnypt.com.au or www.asx.com.au).
- (2) Excludes 200 Broadhollow Road which was sold on 30 June 2016 and 300 Motor Parkway which was sold on 20 December 2016

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:

Investors

Francis Sheehan

Fund Manager

Tel: 02 9293 2910

Fax: 02 9293 2912

e-mail: fsheehan@rxrrealty.com