

11 September 2017

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

RNY Property Trust (ASX:RNY) – Update to RNY unitholders

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reports that one of its mortgage lenders has requested the execution of the assignment documents for 492 River Road (which effectively transfers ownership of the asset to the lender). The lender has the right to make this request as per a prior loan modification, as previously disclosed by the Trust on 11 July 2016. The lender has taken the above-mentioned action now due to the uncertainty related to the unitholder vote scheduled for 12 September requisitioned by Aurora Funds Management, in an attempt to replace RAML and appoint themselves as responsible entity for the Trust.

As previously mentioned, the Board Committee of RAML encourages unitholders to have regard to the following in casting their votes for the 12 September unitholder meeting:

- Such above-mentioned action by the lender also results in the US LLC losing the ability to earn an estimated fee of approximately US\$240,000 for selling such asset; such fee was included in the Trust's 'upside' forecast (of 1.9 cents per unit) included in the August 11th RNY Investor presentation related to potential liquidation forecasts; such 'upside' forecast is now 1.8 cents per unit, and the 'base case' forecast remains unchanged at 1.5 cents per unit;
- Such above-mentioned action by the lender may be claimed by Aurora to trigger the 'conditions' of Aurora's 1.5 cent takeover bid, permitting Aurora (if such claim is made and correct) to terminate its obligation to proceed with its bid, thereby denying unitholders the ability to sell at 1.5 cents if they wish to do so,
- Aurora has still not waived its bid conditions,
- Aurora has still not stated the fees they will charge the Trust for its services if it is appointed responsible entity,
- The Board Committee urges unitholders who may otherwise wish to support Aurora not to deliver control of RNY to Aurora unless and until they actually receive the bid consideration from Aurora.

The Board Committee is concerned that Aurora, if appointed as responsible entity, will have no incentive to wind-up the Trust and return value to unitholders. Aurora may instead apply remaining cash resources to pursue other objectives, to the possible detriment of unitholders. The Board Committee has confidence that current management can quickly and responsibly wind-up the Trust, and return any remaining equity to unitholders.

In summary, the Committee recommends that any unitholders who may otherwise be supportive of Aurora **do not vote to appoint Aurora as responsible entity unless and until unitholders are certain to receive the 1.5c bid consideration.**

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 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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