

28 February 2007

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

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**Reckson New York Property Trust (ASX:RNY) Reports Full-Year Results for the Period Ended 31 December 2006**

**Distributable Earnings of A\$19.4 Million on Net Profits of A\$48.2 Million;  
Valuation Uplift of A\$33.2 Million for Full Year**

**Reckson Australia Management Limited (the Company) as responsible entity of Reckson New York Property Trust (the Trust)** reported net profit after tax of A\$48.2 million or A\$0.1831 per unit for the year ending 31 December 2006. Adjusting for the impact from non cash items, foreign exchange gain, deferred revenue, and the realized loss on an interest rate hedge, the Trust reported distributable earnings of A\$19.4 million, or A\$0.0736 per unit. The Trust distributed A\$16.9 million of its earnings for the year, or A\$0.0641 per unit, in line with its PDS forecast.

**Highlights & Summary Portfolio Performance**

- Closed on Tranche III properties on 6 October 2006
- Scheduled to distribute A\$9,298,510, or A\$0.0353 per unit, on 28 February 2006; full year distribution of A\$0.0641 per unit was in line with PDS forecast
- Transfer of A\$2,513,000 to Unitholder's funds for the year, inclusive of realized gain on the sale of 88 Duryea Road and the standstill fee received on 492 River Road
- During 2006 we executed 80 leasing transactions totaling 456,798 square feet and achieved a 77.5% renewal rate. The strong first half leasing was followed by a weaker second half, with only 26 lease transactions totaling 75,442 square feet and a 42.8% renewal rate in the last 6 months of 2006.
- Ending Occupancy of 90.0% for Tranches I and II, and 88.4% for the entire portfolio
- Contractual rent on renewal and replacement space increased 6.2% on an average rent basis for the year
- Average lease term on executed transactions was 6.4 years
- Signed or actively negotiating over 260,000 square feet of leases since the beginning of 2007, including the execution of over 26,000 square feet of leases and a letter of intent with a tenant to take nearly 128,000 square feet at 710 Bridgeport Avenue, bringing total occupancy at that building to 100%.

On 6 October 2006, the Trust closed on the acquisition of the five Tranche III properties. The properties were purchased at a discount to the June 2005 appraisals. Additionally, the Trust performed internal valuations of the three Long Island

properties: 1660 Walt Whitman Road, 520 Broadhollow Road and 50 Marcus Drive. A valuation uplift of A\$13.4 million (reflecting the Trust's 75% interest, net of transaction costs) was recorded, which led to a 5 cent increase to the net tangible assets per unit as of the closing date. The chart below summarizes the valuation uplift for each of the five properties (all figures in US\$):

Property	6-Oct-06 Valuation	Purchase Price	\$US Change	% Change
1660 Walt Whitman Road	\$17,000,000 <sup>(1)</sup>	\$15,045,872	\$1,954,128	12.99%
520 Broadhollow Road	19,400,000 <sup>(1)</sup>	16,036,240	3,363,760	20.98%
50 Marcus Drive	43,300,000 <sup>(1)</sup>	37,064,220	6,235,780	16.82%
300 Executive Drive	18,700,000 <sup>(2)</sup>	17,203,312	1,496,688	8.70%
580 White Plains Road	28,900,000 <sup>(2)</sup>	26,428,898	2,471,102	9.35%
<b>Total</b>	<b>127,300,000</b>	<b>111,778,542</b>	<b>15,521,458</b>	<b>13.89%</b>

(1) Represents management valuation based on metrics included in 3rd party appraisals obtained for similar Trust properties at 30 June 2006.

(2) Represents appraised values at 30 June 2005.

Subsequent to year-end, the Company announced the consummation of the Reckson Associates Realty Corp. ("RA") and SL Green Realty Corp. merger, effective as of 25 January 2007, and the simultaneous purchase of various RA assets including RA's 25% interest in the RNY portfolio, by RexCorp Realty LLC ("RexCorp"), an entity formed by Scott Rechler, Michael Maturo and Jason Barnett (Executive Directors of RNY) and other key members of RA's senior management team. RexCorp and its affiliated ventures have approximately \$3 billion in assets, including nearly 11 million square feet in 70 properties, and is one of the largest office landlords in the New York Tri-State area.

As part of the above transaction, Stichting Pensioenfonds ABP ("ABP"), a European pension fund, invested approximately \$100 million into a core plus joint venture with RexCorp to purchase the 25% interest in the RNY portfolio (formerly owned by Reckson) and approximately \$400 million of transitioning core plus properties, which consists of a 1.1 million square foot office portfolio in New Jersey (the "New Jersey Transitional Properties") and a 1.5 million square foot office portfolio in Westchester, referred to as the Platinum Mile Portfolio, formerly known as the Eastridge Portfolio (the "Platinum Mile Properties").

Also subsequent to year end, the Trust signed a letter of intent with a tenant to lease 127,833 square feet at 710 Bridgeport Avenue, which would bring the building's total occupancy to 100%. It is anticipated that the lease at 710 Bridgeport Avenue will commence during the second quarter of 2007.

Commenting on activity for the year, Scott Rechler, Chairman and Chief Executive Officer, stated, "While we reported extremely strong leasing activity in the first half of 2006, the uncertainty created by the SL Green / Reckson transaction caused a significant drop off in leasing during the second half. I am pleased to say that with ownership matters cleared, we are regaining leasing momentum. Our current leasing pipeline includes over 260,000 square feet of leases which we have either signed or are in various stages of negotiations." Rechler added, "I believe we are now well

positioned to capitalize on the strong New York area markets to increase occupancies and rents.”

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RexCorp. Other affiliates of RexCorp serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio.

RexCorp is a newly-formed, private enterprise formed by former members of Reckson management. RexCorp is one of the Tri-State areas leading real estate companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties in the New York Tri-State area.

*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:

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