

Appendix 4D

Half year report Period ended 30 June 2006

| | |
|-------------------------------|---------------------------------|
| Name of entity | Reckson New York Property Trust |
| ARSN | 115 585 709 |
| Reporting period | Six months to 30 June 2006 |
| Previous corresponding period | Not applicable* |

*Reckson New York Property Trust was established on 2 August 2005 and listed on 26 September 2005. Accordingly there is no comparative half year information for the Trust

Results for announcement to the market

Financial Performance

| | A\$'000 |
|---|----------------|
| Revenue from ordinary activities | 32,229 |
| Profit from ordinary activities after tax attributable to unitholders | 25,963 |
| Net profit for the period attributable to unitholders | 25,963 |

Distribution

| | |
|--|----------------|
| Distribution income per unit | 2.88 cents |
| Record date for determining entitlement to the distribution for the half year ended 30 June 2006 | 30 June 2006 |
| Date the June 2006 distribution is payable | 28 August 2006 |
| Tax advantaged component of the June 2006 distribution** | 100% |
| The taxable component of the June 2006 distribution comprises: | |
| Australian sourced income** | Nil |
| Foreign sourced income** | Nil |
| Foreign tax credit per unit** | Nil |

** Further details of the tax components of the distribution will be provided to unitholders with their annual tax statement which will be issued following the financial year end.

The Trust presently does not have a dividend reinvestment plan in operation.

Reckson New York Property Trust
ARSN 115 585 709

Financial Report
For the Half Year Ended 30 June 2006

RECKSON NEW YORK PROPERTY TRUST

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The directors of Reckson Australia Management Limited, the Responsible Entity of Reckson New York Property Trust (“RNY”, or the “Trust”), present their report together with the financial report of the Trust, for the half year ended 30 June 2006.

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

Reckson Australia Management Limited (“RAML”), the Responsible Entity is incorporated in Australia and has its principal place of business at Level 25, The Chifley Tower, 2 Chifley Square, Sydney, NSW.

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 25, The Chifley Tower, 2 Chifley Square, Sydney, NSW. The principal activity during the financial period has been investing into the real estate markets of the New York Tri-State area in the United States (US), which is in accordance with the stated investment strategy as set out in the Product Disclosure Statement dated 15th August 2005. There has been no change in the Trust’s activities during or since the end of the financial period.

Distributions

The distribution payable to unitholders for the half year is detailed in Note 5 to the financial statements. The Trust declared a distribution to unitholders of 2.88 cents per unit in relation to the 30 June 2006 half year. This distribution is expected to be paid on or about 28 August 2006.

Review of Operations

Results

The net profit of the Trust is presented in the Income Statement. Net profit attributable to the members of the Trust for the half year ended 30 June 2006 was \$25,963,000. Distributions to unitholders for the half year ended 30 June 2006 amounted to \$7,586,000.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial period.

Matters subsequent to the end of the financial period

On 4 August 2006 it was announced that Reckson Associates Realty Corp (“Reckson”), a company listed on the New York Stock Exchange and the ultimate holding company of RAML, had entered into an agreement with a third party, SL Green Realty Corp, for the sale of its listed shares to SL Green Realty Corp. The deal is still subject to approval by the US Securities Exchange Commission and the Reckson shareholders.

It is anticipated that this transaction will have minimal impact on the operations and management of the Trust and the Responsible Entity as these entities will, as part of the proposed transaction, be acquired by an investment group led by Reckson’s management team, who have confirmed their continued commitment to the operations of the Trust and the Responsible Entity.

Likely developments and expected results of operations

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 partly paid units of the Trust on issue at 30 June 2006 (31 December 2005: 263,413,889 partly paid).

Interests of Responsible Entity

The Responsible Entity held no units in the Trust at the year end.

Indemnification and Insurance of Officers and Auditors

During the six months to 30 June 2006 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 Reckson Australia Management Limited 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 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.

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 4.

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

/s/ Philip Meagher

Philip Meagher

Director

Dated this 10th day of August 2006 in Sydney

Auditor's Independence Declaration to the Directors of Reckson Australia Management Limited, the Responsible Entity of Reckson New York Property Trust

In relation to our review of the financial report of Reckson New York Property Trust for the half-year ended 30 June 2006, 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



Douglas Bain
Partner
10 August 2006

**Income Statement
for the half year ended 30 June 2006**

**Consolidated
30 June 2006**

A\$'000

INCOME

Share of net operating results of associates

| | |
|--|---------------|
| Rental income | 32,009 |
| Property related expenses | (12,351) |
| Net rental income | 19,658 |
| Other income | 247 |
| Net finance costs | (8,220) |
| Property management fees | (1,090) |
| Other expenses | (138) |
| Net income from associates before fair value adjustments and gain on sale of real estate | 10,457 |
| Gain from investment property revaluations | 19,829 |
| Gain on sale of real estate | 1,071 |
| Total net income from associates | 31,357 |
| Interest income | 44 |
| Net unrealised gain on revaluation of derivatives | 828 |
| Total revenue and other income | 32,229 |

EXPENSES

| | |
|--|---------------|
| Auditor's remuneration | 78 |
| Administration expenses | 59 |
| Finance costs | 496 |
| Asset management fees | 1,075 |
| Other expenses | 421 |
| Foreign exchange loss | 232 |
| Total expenses | 2,361 |
| PROFIT BEFORE TAX EXPENSE | 29,868 |
| US withholding tax | 161 |
| Deferred tax expense | 3,744 |
| NET PROFIT AFTER TAX ATTRIBUTABLE TO UNITHOLDERS OF RECKSON NEW YORK PROPERTY TRUST ("RNY") | 25,963 |
| Basic and diluted earnings per unit (cents) | 9.86 |

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

**Distribution Statement
for the half year ended 30 June 2006**

| | Notes | Consolidated 30 Jun 2006 A\$'000 |
|---|-------|--|
| Net profit attributable to unitholders of RNY | | 25,963 |
| Adjusted for: | | |
| Revaluation of investment properties in associates | | (19,829) |
| Straight lining of rental income | | (1,551) |
| Gain on sale of real estate | | (1,071) |
| Unrealised gain on derivatives | | (828) |
| Deferred tax expense | | 3,744 |
| Deferred rental income | | 2,018 |
| Mortgage cost amortisation | | 385 |
| Foreign exchange loss | | 232 |
| TOTAL REALISED INCOME ATTRIBUTABLE TO UNITHOLDERS OF RNY | | 9,063 |
| DISTRIBUTION PAYABLE | 5 | 7,586 |
| Transfer to undistributed income | | 1,477 |
| Distribution per unit (dollars) | | \$0.0288 |

The above Distribution Statement should be read in conjunction with the accompanying notes.

Balance Sheet
as at 30 June 2006

| | Notes | Consolidated | |
|---|-------|---------------------------------|---------------------------------|
| | | As at 30 Jun 2006 A\$'000 | As at 31 Dec 2005 A\$'000 |
| Current assets | | | |
| Cash and cash equivalents | | 83 | 5,338 |
| Trade and other receivables | | 9,101 | 499 |
| Derivative financial instruments | | 2,304 | 3,974 |
| Total current assets | | <u>11,488</u> | <u>9,811</u> |
| Non-current assets | | | |
| Investments held via associates | | | |
| Interest in property assets of associates | 4 | 495,994 | 395,724 |
| Share of associate's liabilities | 3 | (322,489) | (228,969) |
| Other assets of associates | | 41,394 | 26,660 |
| Total investment in associates | 3 | <u>214,899</u> | <u>193,415</u> |
| Total non-current assets | | <u>214,899</u> | <u>193,415</u> |
| Total assets | | <u>226,387</u> | <u>203,226</u> |
| Current liabilities | | | |
| Derivative financial instruments | | 2,419 | 4,917 |
| Due to related parties | | 19,140 | 16,038 |
| Trade and other payables | | 936 | 1,097 |
| Provision for distribution | 5 | 7,586 | 3,925 |
| Total current liabilities | | <u>30,081</u> | <u>25,977</u> |
| Non current liabilities | | | |
| Deferred withholding tax liability | | 5,634 | 1,890 |
| Preferred shareholders | 6 | 168 | - |
| Total non-current liabilities | | <u>5,802</u> | <u>1,890</u> |
| Total liabilities | | <u>35,883</u> | <u>27,867</u> |
| Net assets | | <u>190,504</u> | <u>175,359</u> |
| Unitholders' Equity | | | |
| Units on Issue | 7 | 161,992 | 161,992 |
| Reserves | | 5,971 | 9,203 |
| Undistributed income | | 22,541 | 4,164 |
| TOTAL EQUITY | | <u>190,504</u> | <u>175,359</u> |

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

Cash Flow Statement
For the half year ended 30 June 2006

| | Consolidated |
|---|---------------------|
| | 30 Jun 2006 |
| | A\$'000 |
| Cash flows from operating activities | |
| Payments to suppliers | (2,030) |
| Finance income received | 44 |
| Finance costs | (484) |
| Net cash outflow from operating activities | <u>(2,470)</u> |
| Cash flows from investing activities | |
| Payments for acquisition costs | (1,825) |
| Net cash outflow from investing activities | <u>(1,825)</u> |
| Cash flows from financing activities | |
| Debt raising costs | (359) |
| Proceeds from borrowings | 3,393 |
| Distribution paid | (3,925) |
| Net cash outflow from financing activities | <u>(891)</u> |
| Net decrease in cash and cash equivalents | (5,186) |
| Cash and cash equivalents at beginning of period | 5,338 |
| Net foreign exchange differences | (69) |
| Cash and cash equivalents at end of period | <u>83</u> |

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 2006**

| | Units on Issue | Undistributed Income | Reserves | Total Equity |
|--|----------------|-------------------------|----------|--------------|
| | A\$'000 | A\$'000 | A\$'000 | A\$'000 |
| CONSOLIDATED | | | | |
| At 1 January 2006 | 161,992 | 4,164 | 9,203 | 175,359 |
| Fair value movement of derivative financial instruments | - | - | (221) | (221) |
| Foreign currency gains taken to equity | - | - | (3,011) | (3,011) |
| Total income and expense recognised directly in equity for the period | - | - | (3,232) | (3,232) |
| Profit for the period | - | 25,963 | - | 25,963 |
| Total income and expense recognised for the period | - | 25,963 | (3,232) | 25,963 |
| Distributions | - | (7,586) | - | (7,586) |
| At 30 June 2006 | 161,992 | 22,541 | 5,971 | 190,504 |

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

1. Corporate Information

The financial report of the Trust for the half year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on 10 August 2006.

The Trust was constituted on 2 August 2005. The Responsible Entity of the Trust is Reckson Australia Management Limited (“RAML”). The Responsible Entity’s registered office is at Level 25, 2 Chifley Tower, Sydney 2000.

Reckson New York Property Trust (“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 Group are described in Note 11.

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 Reckson New York Property Trust for the period ended 31 December 2005.

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 2006 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules.

(a) Basis of Accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Trust Constitution, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional 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, and investments in associates that are equity accounted.

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 as at 30 June 2006. Information from the financial statements of the consolidated entities is included from the date the parent entity obtained control.

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.

(c) Changes in accounting policies

The accounting policies applied are consistent with the most recent annual financial report for the period ended 31 December 2005.

(d) Comparatives

As the Trust was constituted on 2 August 2005, this is the first half year financial report, and as such, no comparatives are shown for the income statement, cashflow statement and statement of changes in equity.

**Notes to the Financial Statements
for the half year ended 30 June 2006**

3. Investments in Associates

| | Consolidated 30 Jun 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|-------------------------|---|---|
| Investment in associate | 214,899 | 193,415 |

The associate was acquired during the previous period. Other details are as follows:

| Entity | Date Acquired | Payment Consideration | Country of incorporation | Ownership interest |
|---|--------------------------|----------------------------------|-------------------------------------|-------------------------------|
| Reckson Australia Operating Company LLC ("US LLC") | 21 Sep 05 | Cash | United States | 75% |

RNY has a 100% interest in Reckson Australia LPT Corp. ("US REIT"), a Maryland Corporation which in turn has a 75% interest in Reckson Australia Operating Company LLC ("US LLC"), a Delaware Limited Liability Company that owned 19 office properties in the New York Tri-State area as at 30 June 2006. The owner of the remaining 25% interest is Reckson Australia Holdings LLC ("Reckson Holdings"), the sole member of which is Reckson Operating Partnership L.P., whose general partner is Reckson Associates Realty Corp ("Reckson"), a company listed on the New York Stock Exchange.

Pursuant to the US LLC Operating Agreement, RNY holds a 75% interest in, and acts as the managing member for, the US LLC, and Reckson Holdings holds a 25% non-managing member interest therein. Because both RNY and Reckson retain considerable powers in relation to the control of the US LLC, both during the US LLC's operation and in the event of winding up, neither Reckson nor the Trust has control. The Trust has applied the equity method of accounting for the investment in the US LLC as it only maintains significant influence over the US LLC.

**Notes to the Financial Statements
for the half year ended 30 June 2006**

3. Investments in Associates (continued)

The following table illustrates summarized financial information relating to the investment in the US LLC:

| | Consolidated 30 Jun 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|--|---|---|
| <i>Movements in carrying amounts</i> | | |
| Carrying amount at the beginning of the period | 193,415 | - |
| Purchase of investment in associate | - | 166,007 |
| Acquisition costs | - | 9,510 |
| Dividends received and receivable | (8,378) | (4,984) |
| Share of profit in associate | 31,357 | 12,289 |
| Effect of changes in exchange rates | (1,495) | 10,593 |
| Carrying amount at the end of the period | <u>214,899</u> | <u>193,415</u> |
| <i>Share of associate's balance sheet</i> | | |
| Current assets | 5,493 | 3,885 |
| Non-current assets | 531,895 | 418,499 |
| Total Assets | <u>537,388</u> | <u>422,384</u> |
| Current liabilities | 21,219 | 14,104 |
| Non-current liabilities | 301,270 | 214,865 |
| Total Liabilities | <u>322,489</u> | <u>228,969</u> |
| | Consolidated 30 Jun 2006 A\$'000 | |
| <i>Share of associate's profit or loss:</i> | | |
| Revenue | 32,256 | |
| Gain on sale of 88 Duryea Rd Long Island | 1,071 | |
| Profit before income tax | 31,357 | |
| Income tax expense | - | |
| Profit after income tax | <u>31,357</u> | |

**Notes to the Financial Statements
for the half year ended 30 June 2006**

3. Investments in Associates (continued)

Commitments and contingencies of associate

(a) Leasing arrangements

The US LLC enters into lease arrangements with the various tenants that occupy the 19 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 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|--|---|---|
| Within 1 year | 51,281 | 42,037 |
| Later than 1 year but not later than 5 years | 147,845 | 119,014 |
| Later than 5 years | 88,311 | 50,740 |
| | <u><u>287,437</u></u> | <u><u>211,791</u></u> |

(b) Capital Commitments

At 30 June 2006 the consolidated entity had a commitment of approximately \$US 111.7 million (A\$150.3 million) relating to the purchase of a 75% share of further office properties by the US LLC in the New York Tri-State area. This is the final of three Tranches undertaken to purchase properties in the New York Tri-State area and is due for settlement in October 2006.

Commitments contracted for at reporting date, but not provided for:

| | Consolidated 30 Jun 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|---------------|---|---|
| Within 1 year | <u><u>150,281</u></u> | <u><u>269,100</u></u> |

(c) Contingent liabilities

The US LLC had no contingent liabilities existing at the balance sheet date.

**Notes to the Financial Statements
for the half year ended 30 June 2006**

4. Property Investments

| | Consolidated 30 June 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|--|--|---|
| Investment properties held in equity accounted investments at fair value | <u>495,994</u> | <u>395,724</u> |

The Trust has an interest in property investments held by equity accounted investments, through the indirect holding of 75% interest in Reckson Australia Operating Company LLC. The amounts set out in this note represent the Trust's 75% interest in these properties.

Included in the carrying value of investment properties are the following:

| | | |
|------------------------|---------------------|---------------------|
| Straight – line asset* | 2,250 | 717 |
| Lease commissions | 3,387 | 1,417 |
| Total | <u>5,637</u> | <u>2,134</u> |

*Asset arising from recognising lease income on a straight line basis

(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 | 395,724 | - |
| Cost of acquired properties | 84,279 | 356,619 |
| Property acquisition costs | 1,825 | 9,009 |
| Fair value adjustment | 19,829 | 6,357 |
| Capital additions | 2,836 | 2,413 |
| Book value of property sold** | (4,238) | - |
| Foreign exchange (loss)/gain | (4,261) | 21,326 |
| Carrying amount at the end of the period | <u>495,994</u> | <u>395,724</u> |

**88 Duryea Rd Long Island was settled on 23 June 2006.

**Notes to the Financial Statements
for the half year ended 30 June 2006**

4. Property Investments (continued)

Acquisition Costs of property investments held at 30 June 2006 through controlled entities and associates – all amounts in US Dollars

| Property Address | Ownership % | Date Acquired | Cost Basis | Capitalised | Cost Including | Cost to | Capitalised | Cost Including |
|---|----------------|------------------|------------|-------------|----------------|-----------|-------------|----------------|
| | | | @ 100% | Additions | Additions | Acquire | Additions | Additions |
| | | | US \$'000 | @ 100% | @ 100% | @ 75% | @ 75% | @ 75% |
| | | | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 | US \$'000 |
| 35 Pinelawn Rd, Long Island | 75% | 21 Sep 05 | 18,927 | 1,342 | 20,269 | 14,194 | 1,006 | 15,200 |
| 150 Motor Parkway, Long Island | 75% | 21 Sep 05 | 34,206 | 37 | 34,243 | 25,655 | 28 | 25,683 |
| 660 White Plains Rd, Westchester County | 75% | 21 Sep 05 | 50,291 | 31 | 50,322 | 37,718 | 23 | 37,741 |
| 100 Executive Dr, Nth New Jersey | 75% | 21 Sep 05 | 14,535 | 32 | 14,567 | 10,901 | 24 | 10,925 |
| 100 Grasslands Rd, Westchester County | 75% | 21 Sep 05 | 8,000 | - | 8,000 | 6,000 | - | 6,000 |
| 80 Grasslands Rd, Westchester County | 75% | 21 Sep 05 | 14,244 | - | 14,244 | 10,683 | - | 10,683 |
| 200 Executive Dr, Nth New Jersey | 75% | 21 Sep 05 | 16,049 | 30 | 16,079 | 12,036 | 22 | 12,058 |
| 492 River Rd, Nth New Jersey | 75% | 21 Sep 05 | 28,410 | 2,000 | 30,410 | 21,308 | 1,500 | 22,808 |
| 225 High Ridge Rd, Fairfield County | 75% | 21 Sep 05 | 76,500 | 104 | 76,604 | 57,375 | 78 | 57,453 |
| 300 Motor Parkway, Long Island | 75% | 21 Sep 05 | 8,076 | 18 | 8,094 | 6,057 | 14 | 6,071 |
| 505 White Plains Rd, Westchester County | 75% | 21 Sep 05 | 3,846 | 59 | 3,905 | 2,884 | 44 | 2,928 |
| 55 Charles Lindbergh Blvd, Long Island | 75% | 21 Sep 05 | 29,634 | 28 | 29,662 | 22,226 | 21 | 22,247 |
| 200 Broadhollow Rd, Long Island | 75% | 21 Sep 05 | 11,843 | 953 | 12,796 | 8,882 | 715 | 9,597 |
| 10 Rooney Circle, Nth New Jersey | 75% | 21 Sep 05 | 11,111 | 184 | 11,295 | 8,333 | 138 | 8,471 |
| 560 White Plains Rd, Westchester County | 75% | 21 Sep 05 | 19,402 | 119 | 19,521 | 14,552 | 89 | 14,641 |
| 555 White Plains Rd, Westchester County | 75% | 21 Sep 05 | 17,746 | 220 | 17,966 | 13,310 | 165 | 13,475 |
| 6800 Jericho Turnpike, Long Island | 75% | 6 Jan 06 | 30,873 | 1,054 | 31,927 | 23,155 | 791 | 23,946 |
| 6900 Jericho Turnpike, Long Island | 75% | 6 Jan 06 | 14,364 | 584 | 14,948 | 10,773 | 438 | 11,211 |
| 710 Bridgeport Avenue, Fairfield County | 75% | 6 Jan 06 | 39,355 | 172 | 39,527 | 29,516 | 129 | 29,645 |
| | | | 447,412 | 6,967 | 454,379 | 335,558 | 5,225 | 340,783 |

**Notes to the Financial Statements
for the half year ended 30 June 2006**

4. Property Investments (continued)

Details of valuations of property investments held through controlled entities and associates as at 30 June 2006– amounts in US Dollars and Australian Dollars where indicated

| Property Address | Ownership % | Date of Independent Appraisal (a) | Appraised | Book Value | Appraised | Book Value | Book Value | Book Value |
|---|----------------|---|----------------------------------|------------------------------------|----------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| | | | Value (a) @ 100% US \$'000 | At 30 Jun 06 @100% US \$'000 | Value @75% US \$'000 | At 30 Jun 06 @75% US \$'000 | At 30 Jun 06 @100% A \$'000 | At 30 Jun 06 @75% A \$'000 |
| 35 Pinelawn Rd, Long Island | 75% | 30 June 06 | 20,100 | 20,100 | 15,075 | 15,075 | 27,043 | 20,282 |
| 150 Motor Parkway, Long Island | 75% | 30 Jun 06 | 36,800 | 36,800 | 27,600 | 27,600 | 49,511 | 37,133 |
| 660 White Plains Rd, Westchester County | 75% | 1 Jul 05 | 53,600 | 53,631 | 40,200 | 40,223 | 72,155 | 54,116 |
| 100 Executive Dr, Nth New Jersey | 75% | 1 Jul 05 | 15,200 | 15,232 | 11,400 | 11,424 | 20,493 | 15,370 |
| 100 Grasslands Rd, Westchester County | 75% | 1 Jul 05 | 8,200 | 8,200 | 6,150 | 6,150 | 11,032 | 8,274 |
| 80 Grasslands Rd, Westchester County | 75% | 1 Jul 05 | 14,600 | 14,600 | 10,950 | 10,950 | 19,643 | 14,732 |
| 200 Executive Dr, Nth New Jersey | 75% | 1 Jul 05 | 16,700 | 16,730 | 12,525 | 12,548 | 22,509 | 16,882 |
| 492 River Rd, Nth New Jersey | 75% | 30 Jun 06 | 39,100 | 39,100 | 29,325 | 29,325 | 52,605 | 39,454 |
| 225 High Ridge Rd, Fairfield County | 75% | 30 Jun 06 | 80,000 | 80,000 | 60,000 | 60,000 | 107,632 | 80,724 |
| 300 Motor Parkway, Long Island | 75% | 30 Jun 06 | 9,100 | 9,100 | 6,825 | 6,825 | 12,243 | 9,182 |
| 505 White Plains Rd, Westchester County | 75% | 1 Jul 05 | 4,000 | 4,059 | 3,000 | 3,044 | 5,461 | 4,096 |
| 55 Charles Lindbergh Blvd, Long Island | 75% | 30 Jun 06 | 33,700 | 33,700 | 25,275 | 25,275 | 45,340 | 34,005 |
| 200 Broadhollow Rd, Long Island | 75% | 30 Jun 06 | 13,400 | 13,400 | 10,050 | 10,050 | 18,028 | 13,521 |
| 10 Rooney Circle, Nth New Jersey | 75% | 1 Jul 05 | 12,000 | 12,184 | 9,000 | 9,138 | 16,392 | 12,294 |
| 560 White Plains Rd, Westchester County | 75% | 1 Jul 05 | 20,200 | 20,319 | 15,150 | 15,239 | 27,336 | 20,502 |
| 555 White Plains Rd, Westchester County | 75% | 1 Jul 05 | 18,900 | 19,120 | 14,175 | 14,340 | 25,724 | 19,293 |
| 6800 Jericho Turnpike, Long Island | 75% | 30 Jun 06 | 35,800 | 35,800 | 26,850 | 26,850 | 48,165 | 36,124 |
| 6900 Jericho Turnpike Long Island | 75% | 30 Jun 06 | 16,600 | 16,600 | 12,450 | 12,450 | 22,334 | 16,751 |
| 710 Bridgeport Avenue, Fairfield County | 75% | 1 Jul 05 | 42,700 | 42,872 | 32,025 | 32,154 | 57,679 | 43,259 |
| | | | 490,700 | 491,547 | 368,025 | 368,660 | 661,325 | 495,994 |

(a) Performed by CB Richard Ellis, Inc. – Valuation and Advisory Services

**Notes to the Financial Statements
for the half year ended 30 June 2006**

5. Provision for distribution

| | Consolidated 30 Jun 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|---|---|---|
| Distribution payable | <u>7,586</u> | <u>3,925</u> |
| The half year distribution is expected to be paid on or about 28 August 2006 and represents a rate of 2.88 cents per unit | | |

6. Preferred shareholders

| | | |
|------------------------|------------|----------|
| Preferred shareholders | <u>168</u> | <u>-</u> |
|------------------------|------------|----------|

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 \$US1,000 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.

7. Units on Issue

| Ordinary Units | Consolidated 30 Jun 2006 Units | Consolidated 31 Dec 2005 Units |
|---|---|---|
| (a) Movements in Ordinary units on issue | | |
| Units on issue at beginning of the period – partly paid (i) | 263,413,889 | - |
| Units issued during the period – partly paid (i) | <u>-</u> | <u>263,413,889</u> |
| Units on issue at the end of the period | <u>263,413,889</u> | <u>263,413,889</u> |

| | Consolidated 30 Jun 2006 A\$'000 | Consolidated 31 Dec 2005 A\$'000 |
|--|---|---|
| (b) Movement in Ordinary units on issue | | |
| Issue equity at the beginning of the period | 161,992 | - |
| Equity issued during the period at \$0.65 per unit | - | 171,219 |
| Transaction costs on equity issued during the period | <u>-</u> | <u>(9,227)</u> |
| Issued equity at the end of the period | <u>161,992</u> | <u>161,992</u> |

(i) All units were allotted on 21 September 2005 on payment of the initial instalment of \$0.65 per unit. A final instalment of \$0.35 is payable on 1 October 2006.

Each unit ranks equally with all other partly paid 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.

**Notes to the Financial Statements
for the half year ended 30 June 2006**

8. Earnings per unit

| | Consolidated 30 Jun 2006 Cents | Consolidated 31 Dec 2005 Cents |
|--|---|---|
| Basic and diluted earnings per unit | <u>9.86</u> | <u>3.07</u> |
| Basic earnings per unit after adjusting for fair value movements, deferred tax expense and unrealised gains/losses on derivatives | <u>3.12</u> | <u>1.73</u> |
| *This calculation is based on the following adjusted net profit: | | |
| | \$'000 | \$'000 |
| Consolidated net profit attributable to RNY unitholders | 25,963 | 8,089 |
| less: revaluation of investment properties in associates | (19,829) | (6,357) |
| less: gain on sale of real estate | (1,071) | - |
| add/less: unrealised derivative (gain)/loss | (828) | 943 |
| add: deferred tax expense | 3,744 | 1,890 |
| add: foreign exchange loss | 232 | - |
| Adjusted net profit used in calculation above | <u>8,211</u> | <u>4,565</u> |

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.

9. Commitments and Contingencies

Commitments relating to the Associate are detailed in Note 3. There are no other commitments or contingent liabilities existing at the balance sheet date.

10. Net Asset Backing per Unit

| | Consolidated 30 Jun 2006 A\$ | Consolidated 31 Dec 2005 A\$ |
|----------------------------|---|---|
| Net asset backing per unit | <u>\$0.72</u> | <u>\$0.67</u> |

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

11. Segment Reporting

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

12. Subsequent Events

On 4 August 2006 it was announced that Reckson, the ultimate holding company of RAML, had entered into an agreement with a third party, SL Green Realty Corp, for the sale of its listed shares to SL Green Realty Corp. The deal is still subject to approval by the US Securities Exchange Commission and the Reckson shareholders. It is anticipated that this transaction will have minimal impact on the operations and management of the Trust and the Responsible Entity as these entities will, as part of the proposed transaction, be acquired by an investment group led by Reckson's management team, who have confirmed their continued commitment to the operations of the Trust and the Responsible Entity.

Directors Declaration

In accordance with a resolution of the directors of Reckson Australia Management Limited, the Responsible Entity of Reckson New York Property Trust, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 30 June 2006 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 “Interim Financial Reporting” and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay their debts as and when they become due and payable.

On behalf of the Board

/s/ Philip Meagher
Philip Meagher
Director

Sydney, 10th August 2006

Independent review report to unitholders of Reckson New York Property Trust

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity and accompanying notes to the financial statements for the consolidated entity comprising both Reckson New York Property Trust (the Trust) and the entities it controlled during the period, and the directors' declaration for the Trust, for the half year ended 30 June 2006.

The directors of the Responsible Entity of the Trust, Reckson Australia Management Limited are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the unitholders of the Trust, and in order for the Trust to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of Trust personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Trust, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Reckson New York Property Trust and the entities it controlled during the half year is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 30 June 2006 and of its 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) other mandatory financial reporting requirements in Australia.



Ernst & Young



Douglas Bain
Partner
Sydney
10 August 2006