NewRiver REIT Q3 Trading Update

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NewRiver REIT PLC
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NewRiver REIT plc Third Quarter Company Update

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Convenience-led portfolio remains well positioned to deliver growing and sustainable cash returns

Paul Roy, Chairman, commented: "NewRiver had a good third quarter, with our convenience-led, community-focused portfolio again performing well and significantly outperforming the wider UK retail market.

Our occupancy has remained strong at a record level of 97%, supported by affordable average rents of £12.70 per square foot. The grocers, convenience store operators, and discount and value retailers which are at the core of our portfolio had a good quarter, underpinned by positive like-for-like sales over the Christmas trading period. In fact, the discount retail sector is forecast to grow by 36% over the next 5 years* - which is ahead of online - driven by a shift in consumer behaviour towards value for money and frequent spend on non-discretionary everyday essentials. Importantly we recognised the structural challenge faced by department stores some time ago and therefore have almost no rental exposure to that part of the market.

Finally, our like-for-like footfall was up over the quarter by 0.5% and 1.9% during December, significantly outperforming the national benchmark. The strength of our key metrics underpin our growing dividend, which increased by 5% in the third quarter.

Looking ahead, our conservatively geared balance sheet is strongly positioned to exploit accretive opportunities over the coming months and we remain confident in our ability to deliver growing and sustainable cash returns to our shareholders from our convenience-led, community-focused portfolio."

Convenience-led shopping delivering good operational results and strong metrics

- Consistently high retail occupancy of 97% (Sep 2017: 97%)
- Portfolio is underpinned by affordable rents; average retail rent of £12.70 per sq ft (Sep 2017: £12.82 per sq ft)
- Footfall across the shopping centre portfolio increased on a like-for-like basis by 0.5% vs Q3 FY17, outperforming the UK benchmark by 270bps
- Footfall in December 2017 +1.9% on a like-for-like basis, outperforming the UK benchmark by 450bps
- 100% of our Q3 rents have already been collected
- 66 leasing events in the retail portfolio across 265,700 sq ft; long term deals on average +0.1% vs September 2017 ERV with an average lease length of 8.5 years and securing annual rent of £1.3 million

Community assets are embedded with value creating opportunities

- Terms have been agreed with Basingstoke and Deane Borough Council to redevelop the existing 66 acre leisure park to almost double the leisure to 500,000 sq feet and enhance the existing facilities as well as creating over 200,000 sq ft of outlet shopping
- Outline planning consent obtained for a 100 unit residential scheme in Stamford on an eight acre site acquired from Morrisons for £1m as part of the Ramsay portfolio in July 2015

- Planning consent obtained in East Ham, London, for 36 residential units above existing Sainsbury's store
- In advanced negotiations on over £50 million of acquisitions at a blended yield of c.9%
- Completed £5.5 million of profitable capital recycling on average 2% ahead of September 2017 valuation

Strong financials that support the investment case

- Third quarter ordinary dividend up 5.0% to 5.25 pence per share (Q3 FY17: 5.00 pence)
- Dividend for financial year to date up 5.0% to 15.75 pence per share (FY17 YTD: 15.00 pence)
- LTV of 25% (based on September 2017 valuations) and over £200m of undrawn credit facilities presents firepower to exploit opportunities in our marketplace
- Risk-controlled development pipeline now has over 1 million sq ft of valuable planning consents to build residential in air space above our assets and convenience stores (c-stores) in pub car parks
- 15th c-store to be delivered to the Co-op by the end of the month, generating the first performance fee receipt of £750k with agreement to deliver up to 40 c-stores

*Source: GlobalData (January 2018), Retail Market Growth Forecast 2017 - 2022e: discount retail +35.7%, compared with online, incl. click and collect, +35.5%

For further information

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This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation. This announcement has been authorised for release by the Board of Directors.

About NewRiver

NewRiver REIT plc (ticker: NRR) is a premium listed REIT on the London Stock Exchange and a constituent of the FTSE 250 and EPRA indices. The Company is a specialist real estate investor, asset manager and developer focused solely on the UK retail and leisure sector.

Founded in 2009, NewRiver is one of the UK's largest owner/managers of convenience-led community shopping centres with a property portfolio of £1.2 billion principally comprising 33 UK wide shopping centres together with further nationwide retail and leisure assets. The portfolio totals 8 million sq. ft. with over 2,000 occupiers, an annual footfall of 150 million and a retail occupancy rate of 97 per cent. Visit www.nrr.co.uk for further information.

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Forward-looking statements

The information in this announcement may include forward-looking statements, which are based on current projections about future events. These forward-looking statements reflect the directors' beliefs and expectations and are subject to risks, uncertainties and assumptions about NewRiver REIT plc (the "Company"), including, amongst other things, the development of its business, trends in its operating industry, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements.

None of the future projections, expectations, estimates or prospects in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. As a result, you are cautioned not to place reliance on such forward looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this document and are subject to change without notice. No one undertakes to update publicly or revise any such forward looking statements. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.

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