

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000, if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the United Kingdom Listing Authority have examined or approved the contents of this document.** The AIM Rules are less demanding than those of the Official List of the United Kingdom Listing Authority.

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "Commission"). The Commission has not reviewed this document and takes no responsibility for the financial soundness of the Company or the correctness of any statements made or opinions expressed with regard to this document.

This document forms part of a listing document for the purposes of the application for admission of the Placing Shares to the Daily Official List of the Channel Islands Stock Exchange, LBG ("CISX") and includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company in relation to such application for admission and listing. The CISX has been recognised by the UK HM Revenue & Customs under section 841 of the Income & Corporation Taxes Act 1988 and approved by the Financial Conduct Authority as a Designated Investment Exchange within the meaning of FSMA. Neither the admission of the Placing Shares to the Daily Official List of the CISX nor the approval of this document pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of the service providers to, or any party connected with, the Company, the adequacy and accuracy of the information contained in this document of the suitability of the Company for investment or for any other purpose.

This document includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company. The Company, whose registered office appears on page 11 of this document, and the Directors, whose names also appear on page 11 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

This document does not comprise a prospectus for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 or section 85 of FSMA. This document has not been delivered to the Registrar of Companies in England and Wales or the Registrar of Companies in Guernsey or any other authority in any jurisdiction for registration.



## **NEWRIVER RETAIL LIMITED**

*(a registered collective investment scheme incorporated in Guernsey and registered with number 50463)*

**Proposed Firm Placing of 31,707,318 new Ordinary Shares**  
**Proposed Additional Placing of 975,609 new Ordinary Shares**  
**in each case at a Placing Price of 205 pence per Ordinary Share**  
**and**  
**Notice of Extraordinary General Meeting**

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Your attention is drawn to the letter from the Chairman of NewRiver Retail Limited which is set out on pages 11 to 19 of this document and which contains, amongst other matters, your Board's recommendations to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below. The proposals described in this document are conditional upon the Resolutions being passed.

A notice convening an Extraordinary General Meeting ("EGM") of the Company to be held at 10.00 a.m. on Wednesday 10 July 2013 at the offices of Pelham Bell Pottinger at 6th Floor, Holborn Gate, 330 High Holborn, London WC1V 7QD is set out at the end of this document. A Form of Proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by no later than 10.00 a.m. on Monday 8 July 2013, being 48 hours before the time appointed for the holding of the EGM. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant i.d. RA10) by no later than 10.00 a.m. on Monday 8 July 2013. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the EGM if you wish to do so.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc, or for advising any other person on the arrangements described in this document.

Liberum Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Liberum Capital Limited will not be responsible to anyone other than the Company for providing the protections afforded to customers of Liberum Capital Limited, or for advising any other person on the arrangements described in this document.

Kinmont Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Kinmont Limited will not be responsible to anyone other than the Company for providing the protections afforded to customers of Kinmont Limited, or for advising any other person on the arrangements described in this document.

Cenkos Securities plc, Liberum Capital Limited and Kinmont Limited have not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities plc, Liberum Capital Limited or Kinmont Limited for the accuracy of any information or opinions contained in this document or for the omission of any information.

No representation or warranty, express or implied, is made by Cenkos Securities plc, Liberum Capital Limited or Kinmont Limited as to the accuracy, completeness or verification of the information set out in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Cenkos Securities plc, Liberum Capital Limited and Kinmont Limited do not assume any responsibility for its accuracy, completeness or verification and accordingly each disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go up as well as down.

A registered collective investments scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law (1987), as amended. Ordinary Shares shall not be placed directly with the public in Guernsey.

The directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects and that there are no other facts the omission of which would make misleading any statement in this document, whether of facts or of opinion. All the directors accept responsibility accordingly.

In the United Kingdom, members of the public are not invited to participate in and are not eligible to take part in the Placing. Participation in the Placing is limited at all times to persons who are (i) investment professionals within the meaning of paragraph (5) of Article 19 or high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529); and (ii) qualified investors within the meaning of section 86(7) of Financial Services and Markets Act 2000 (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents. Any investment, or investment activity to which this document relates is available only in the United Kingdom to relevant persons and will be engaged in only with relevant persons. By receiving this document and not returning it, you are deemed to warrant to the Company, Cenkos Securities plc, Liberum Capital Limited and Kinmont Limited that you fall within the categories of person described above.

No Ordinary Shares have been offered or sold or will be offered or sold to persons in the United Kingdom prior to publication of this document except in circumstances which have not resulted in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA.

This document is only addressed to, and the Placing is only directed at, persons in member states of the European Economic Area (“**EEA**”) who are “qualified investors” within the meaning of Article 2(1) (e) of the Prospectus Directive (“**Qualified Investors**”). This document must not be acted on or relied upon in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available, in any member state of the EEA, only to Qualified Investors, and will be engaged in only with such persons. This document has been prepared on the basis that all offers of Placing Shares will be made pursuant to any exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of Placing Shares. Accordingly, any person making or intending to make any offer within the EEA of or for Ordinary Shares which are not the subject of the Placing contemplated in this document should only do so in circumstances in which no obligation arises for the Company, Cenkos Securities plc, Liberum Capital Limited or Kinmont to produce a prospectus for such Placing. None of the Company, Cenkos Securities plc, Liberum Capital Limited or Kinmont has authorised, nor do they authorise, the making of any offer of Ordinary Shares through any financial intermediary, other than offers made by Cenkos Securities plc, Liberum Capital Limited or Kinmont which constitute the final placement of Ordinary Shares contemplated in this document.

In the case of any Placing Shares being offered to a financial intermediary as that term is used and defined in section 86(7) of the Financial Services and Markets Act 2000, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Placing Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Placing Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company, Cenkos and Liberum has been obtained to each such proposed offer or resale. Each of the Company, Cenkos and Liberum and their respective affiliates will rely on the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Placing Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which

the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation. The distribution of this document, the accompanying Form of Proxy and any accompanying documents, and the offer of the Placing Shares may be restricted by law. Persons into whose possession this document, the Form of Proxy and any accompanying documents come must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US person. Any person within the United States and any US person who obtains a copy of this document must disregard it.

No public offering of the Placing Shares is being made in any jurisdiction. No action has been or will be taken by the Company, Cenkos Securities plc or Liberum Capital Limited that would permit the offer of the Placing Shares or possession or distribution of this document, the Form of Proxy or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer of the Placing Shares has not been, nor will they be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefits of that Act. The Placing Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US person. In connection with the Placing, the Placing Shares are being offered and sold only outside the United States to, and for the account or benefit of, non-US persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act.

Copies of this document will be available free of charge at the registered office of the Company in Guernsey and at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document for a period of 14 days or until Admission, whichever is the longer period.

The documents listed at page 20 (*Additional Information*) of this document are incorporated by reference into and form part of this document.

#### **Forward-looking statements**

All statements in this document other than statements of historical fact are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and/or Directors concerning, among other things, the trading performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the performance, results of statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally; changes in interest rates and currency fluctuations; impairments in the value of the Company’s assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing; the ability of the Group to retain and attract suitably experienced personnel and competition within the industry. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

#### **Industry, market and other data**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group’s business and the track record of the NewRiver Management Team contained in this document consists of estimates based on data and reports compiled by professional organisations and analysts, information made public by investment vehicles previously managed by the NewRiver Management Team, on data from external sources and on the Company’s and the NewRiver Management Team’s knowledge of the UK real estate market. Information regarding the macroeconomic environment in the UK has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but neither the Company, Cenkos Securities plc, Liberum Capital Limited nor Kinmont Limited has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the NewRiver Management Team’s internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurances as to their accuracy.

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## DEFINITIONS

References in this document to statutes or government agencies are, unless specifically stated otherwise, to statutes or government agencies in the UK. The following definitions apply throughout this document unless the context requires otherwise:

<b>“2011 Admission Document”</b>	the AIM Admission Document of the Company dated 7 July 2011
<b>“2013 Annual Accounts”</b>	the annual report and accounts of the Company for the financial year ended 31 March 2013
<b>“A Convertible Unsecured Loan Stock”</b>	the £17.0 million nominal value A 5.85 per cent. convertible unsecured loan stock 2015, issued to Forum by NewRiver Retail CUL
<b>“Additional Placing”</b>	the conditional placing of the Additional Placing Shares, subject to scaling back to satisfy subscriptions by Discretionary PCBs and other Qualified Investors (who are also Exempt Persons)
<b>“Additional Placing Shares”</b>	975,609 new Ordinary Shares, representing £2 million at the Placing Price
<b>“Admission”</b>	the admission of the Placing Shares to trading on AIM becoming effective pursuant to paragraph 6 of the AIM Rules and to listing on the Daily Official List of the CISX becoming effective in accordance with the CISX Listing Rules
<b>“AIM”</b>	a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules of the London Stock Exchange governing the admission to and the operation of AIM
<b>“Articles”</b>	the articles of incorporation of the Company
<b>“B Convertible Unsecured Loan Stock”</b>	the £8.0 million nominal value B 5.85 per cent. convertible unsecured loan stock 2015, issued to Spearpoint by NewRiver Retail CUL
<b>“Board” or “Directors”</b>	the directors of the Company for the time being and (where the context requires) comprises those persons as at the date of this document, whose names appear on page 11 of this document
<b>“business day”</b>	any day on which banks in London and Guernsey are open for business (excluding Saturdays and Sundays and public holidays)
<b>“Cenkos”</b>	Cenkos Securities plc, the Company’s nominated adviser for the purposes of the AIM Rules and joint broker
<b>“certificated” or “in certificated form”</b>	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST)
<b>“CISX”</b>	the Channel Islands Stock Exchange, LBG
<b>“CISX Listing Rules”</b>	the listing rules produced by the CISX for companies whose securities are listed on the CISX, as amended from time to time
<b>“Company” or “NewRiver”</b>	NewRiver Retail Limited, a registered collective investment scheme, incorporated in Guernsey with registration number 50463

<b>“Convertible Securities”</b>	securities convertible into or exchangeable into Ordinary Shares
<b>“Convertible Unsecured Loan Stock”</b>	the £25.0 million nominal value 5.85 per cent. convertible unsecured loan stock 2015 issued, from time to time, by NewRiver Retail CUL, comprising the A Convertible Unsecured Loan Stock and the B Convertible Unsecured Loan Stock
<b>“Convertible Unsecured Loan Stock Instruments”</b>	the instruments pursuant to which the Convertible Unsecured Loan Stock was issued
<b>“CREST”</b>	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the Regulations)
<b>“CREST Service Provider”</b>	Capita Registrars (Guernsey) Limited, pursuant to the Registrar Agreement with the Company dated 26 August 2009
<b>“CSOP”</b>	the NewRiver Retail Limited Company Share Option Plan 2009
<b>“Discretionary PCBs”</b>	private client brokers who are Qualified Investors and who are engaged by their clients on terms which enable them to make decisions concerning the acceptance of offers of transferable securities on their clients’ behalf without reference to such clients
<b>“EGM” or “Extraordinary General Meeting”</b>	the Company’s extraordinary general meeting (or any adjournment thereof) convened for 10.00 a.m. on Wednesday 10 July 2013 at which the Resolutions will be put to the Shareholders
<b>“EPRA Adjusted Profit”</b>	comprises recurring profits and realised profits on sale of properties during the year
<b>“EPRA NAV”</b>	the balance sheet net assets excluding the mark to market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations and diluting for the effect of those shares potentially issuable under employee share schemes
<b>“ERV”</b>	the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion
<b>“Exempt Persons”</b>	a person of a kind described in (i) paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals); and/or (ii) paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of the CREST system
<b>“Firm Placing”</b>	the firm placing of the Firm Placing Shares with institutional and other investors
<b>“Firm Placing Shares”</b>	31,707,318 new Ordinary Shares, representing £65 million at the Placing Price
<b>“First Admission”</b>	the admission of the Ordinary Share capital of the Company to trading on AIM and the CISX becoming effective pursuant to

	paragraph 6 of the AIM Rules and in accordance with the CISX Listing Rules, which occurred on 1 September 2009
<b>“Form of Proxy”</b>	the enclosed form of proxy for use by the Shareholders in connection with the EGM
<b>“Forum”</b>	FNRR Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
<b>“Fully Diluted Share Capital”</b>	at any time during the period from (and including) the date of First Admission to (but excluding) the date which is 18 months from the date of First Admission, the number of Ordinary Shares in issue at the relevant time if: (a) all the outstanding Warrants had been exercised in full; and (b) all Ordinary Shares capable of being issued by the Company pursuant to all outstanding Options, Convertible Securities or other rights to subscribe for shares or securities capable of being issued by way of Share Equivalents (excluding any Ordinary Shares issued pursuant to any employee share options, employee share purchase plans or any other form of equity based compensation granted to employees or officers of the Group) had been issued, provided that the aggregate value of the Fully Diluted Share Capital is capped at £125 million, regardless of the number of Ordinary Shares in issue at the relevant time
<b>“Group”</b>	the Company and its subsidiaries and subsidiary undertakings from time to time
<b>“Kinmont”</b>	Kinmont Limited, the Company’s financial adviser
<b>“Law”</b>	The Companies (Guernsey) Law, 2008, as amended
<b>“Liberum”</b>	Liberum Capital Limited, the Company’s joint broker to the Placing
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“LVS”</b>	LVS Luxembourg IV Sarl
<b>“NAV”</b>	the value of the assets of the Group less its liabilities, calculated in accordance with the accounting principles adopted by the Group from time to time
<b>“NewRiver Management Team”</b>	as at the date of this document, David Lockhart, Allan Lockhart, Nick Sewell, Mark Davies and Charles Miller
<b>“NewRiver Retail CUL”</b>	NewRiver Retail CUL No. 1 Limited
<b>“Options”</b>	options, warrants or other rights to purchase Ordinary Shares (other than options or warrants granted to employees or officers of the Group) or Convertible Securities
<b>“Ordinary Shares”</b>	the ordinary shares of no par value in the capital of the Company
<b>“Paul Roy Options”</b>	the options over Ordinary Shares granted to Paul Roy on the date of First Admission
<b>“Placing”</b>	the placing by Cenkos and Liberum of the Firm Placing Shares and the Additional Placing Shares at the Placing Price pursuant to the Placing Agreement, as described in this document
<b>“Placing Agreement”</b>	the agreement dated on or around 19 June 2013 between the Company (1), Cenkos (2) and Liberum (3) pursuant to which each

	of Cenkos and Liberum has agreed to use its reasonable endeavours to procure places for the Placing Shares
<b>“Placing Price”</b>	205 pence per Placing Share
<b>“Placing Shares”</b>	the Firm Placing Shares and the Additional Placing Shares
<b>“Property Rental Business”</b>	the qualifying property rental business in the UK and elsewhere of UK resident companies within a UK-REIT and non-UK resident companies within a UK-REIT with a UK qualifying property rental business
<b>“PSP”</b>	the NewRiver Retail Limited Performance Share Plan 2009
<b>“Qualified Investors”</b>	qualified investors within the meaning of section 86(7) of Financial Services and Markets Act 2000
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>“Resolutions”</b>	the resolutions proposed to be passed by Shareholders at the Extraordinary General Meeting
<b>“Share Equivalents”</b>	(without duplication) rights, warrants, options, convertible securities, convertible indebtedness, exchangeable securities or exchangeable indemnities, or any other rights exercisable for, convertible or exchangeable into, directly or indirectly, any Ordinary Shares whether at the relevant time, any time in the future or upon the occurrence of some future event
<b>“Shareholders”</b>	holders of Ordinary Shares from time to time
<b>“Share Incentive Plans”</b>	the CSOP and the Unapproved Plan
<b>“Spearpoint”</b>	Spearpoint Limited
<b>“Specified Percentage”</b>	in respect of any Warrant and the exercise of the relevant Subscription Rights, the specified percentage stated in the Warranholder’s certificate which shall, when aggregated with the Specified Percentages in respect of all other Warrants, certificates and Subscription Rights, be three per cent.
<b>“Sponsor and Designated Manager”</b>	Morgan Sharpe Administration Limited
<b>“Subscription Price”</b>	the subscription price payable from time to time to subscribe for Ordinary Shares pursuant to the Warrants, such price may be adjusted from time to time in accordance with the terms of the Warrant Instrument
<b>“Subscription Rights”</b>	each Warranholder’s right, upon the terms and conditions of the Warrant Instrument, to subscribe for or acquire from the Company in cash at the Subscription Price that Specified Percentage of the Fully Diluted Share Capital of the Company specified in its warrant certificate
<b>“subsidiary”</b>	as construed in accordance with section 1159 of the Companies Act 2006 and section 531 of the Law
<b>“subsidiary undertakings”</b>	as construed in accordance with section 1261 of the Companies Act 2006
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland



<b>“UK-REIT”</b>	a UK Real Estate Investment Trust under Part 12 of the Corporation Taxes Act 2010
<b>“UK-REIT regime”</b>	the UK-REIT regime introduced by the Finance Act 2006 and re-written in Part 12 of the Corporation Taxes Act 2010
<b>“Unapproved Plan”</b>	the NewRiver Retail Limited Unapproved Share Option Plan 2009
<b>“uncertificated” or “in uncertificated form”</b>	shares recorded in the Company’s register of Shareholders as being held in uncertificated form, title to which may be transferred by means of an instruction issued in accordance with the rules of CREST
<b>“Warrantholders”</b>	holders of Warrants
<b>“Warrant Instrument”</b>	the warrant instrument of the Company dated 26 August 2009
<b>“Warrants”</b>	the warrants granted by the Company to Shareholders subscribing for Ordinary Shares at First Admission, pursuant to the Warrant Instrument
<b>“£” or “pound” or “sterling”</b>	the lawful currency of the United Kingdom

## PLACING STATISTICS

Placing Price per Placing Share	205 pence
Number of Firm Placing Shares being placed	31,707,318
Number of Additional Placing Shares available for subscription in connection with the Placing	975,609
Number of Ordinary Shares in issue immediately following Admission†	67,336,435
Estimated proceeds of the Placing receivable by the Company before expenses	£67 million
Estimated proceeds of the Placing receivable by the Company after expenses	£65 million
Percentage of the enlarged issued ordinary share capital being placed pursuant to the Placing	48.5 per cent.
AIM/CISX Symbol	NRR
ISIN Code	GG00B4Z05859

† assuming no exercise of the Warrants

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2013</i>
Despatch of this document and Forms of Proxy	19 June
Latest time and date for subscriptions for Additional Placing Shares	5.00 p.m. on 27 June
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments by Shareholders for the Extraordinary General Meeting	10.00 a.m. on 8 July
Time and date of the Extraordinary General Meeting	10.00 a.m. on 10 July
Announcement of the results of the Extraordinary General Meeting and the Placing	10 July
Admission effective and dealings commence in the Placing Shares on AIM and CISX	8.00 a.m. on 11 July
CREST stock accounts to be credited with the Placing Shares in uncertificated form	8.00 a.m. on 11 July
Despatch of definitive share certificates for the Placing Shares in certificated form	by 16 July

### Notes:

- (1) A reference to a time in this document is to London time unless otherwise stated.
- (2) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified to investors.

## PART 1

### CHAIRMAN'S LETTER



### NEWRIVER RETAIL LIMITED

*(Incorporated in Guernsey with registered number 50463)*

Paul Roy (*Non-Executive Chairman*)  
David Lockhart (*Chief Executive*)  
Mark Davies (*Finance Director*)  
Allan Lockhart (*Property Director*)  
Nick Sewell (*Director*)  
Charles Miller (*Development Director*)  
Andrew Walker (*Non-Executive Director*)  
Chris Taylor (*Non-Executive Director*)  
Kay Chaldecott (*Non-Executive Director*)

Old Bank Chambers  
La Grande Rue  
St Martin's  
Guernsey  
Channel Islands  
GY4 6RT

19 June 2013

*To the Ordinary Shareholders and, for information only, to holders of Options, Warrants and Convertible Unsecured Loan Stock*

Dear Shareholder,

**Proposed Firm Placing of 31,707,318 new Ordinary Shares and proposed Additional Placing of 975,609 new Ordinary Shares, in each case at 205 pence per Ordinary Share**

#### **Introduction**

I am writing to you with details of what your Board considers to be a significant and positive development for the Company. It has been announced today that NewRiver is proposing to raise £67 million (before expenses) by means of a placing of new Ordinary Shares.

The purpose of this document is to set out, amongst other things, the background to and reasons for the Placing and the proposed waiver of the pre-emption rights in the Articles. It also explains why your Board considers that the Resolutions to be proposed at the Extraordinary General Meeting are in the best interests of the Company and Shareholders as a whole and, accordingly, recommends that Shareholders vote in favour of the Resolutions. A notice of Extraordinary General Meeting is set out at the end of this document.

The net proceeds of the Placing will be applied for the purposes of the Company's continuing investment programme, which is discussed in more detail below.

This letter also sets out an update on the Company's trading activity.

#### **Background to and Reasons for the Placing**

Your Board believes that NewRiver has invested well and created a good platform for expansion. The Directors believe that the timing is right for NewRiver to take advantage of favourable retail real estate market conditions and raise further equity for investment. The Group is well-positioned and the core stock selection and asset management skills of the NewRiver Management Team are well-suited to the current environment.

The proceeds of the Placing will be deployed on standalone acquisitions, joint ventures and co-investments. The Company is currently exploring a range of acquisition opportunities and will seek to complete a number of them using the proceeds of the Placing.

### **Trading Update**

On 23 May 2013, the Company released its audited results for the 12 months ended 31 March 2013. In the year under review, Group revenue increased by 20 per cent. to £18.0 million, EPRA Adjusted Profits increased 7 per cent. to £5.2 million and dividends per share increased 7 per cent. to 16 pence. EPRA NAV per share at the year end was 240 pence per share and net assets stood at £80 million.

As well as delivering its third consecutive year of growth in revenue, profit and dividend, the Company laid strong foundations for the future with the signing of a significant joint venture relationship. In December 2012, NewRiver formed a joint venture with LVS, a subsidiary of PIMCO BRAVO Fund, L.P. The joint venture is a transformational relationship that the directors consider will deliver strong returns to Shareholders through the combination of LVS' capital and NewRiver's expertise. The agreement has already secured the initial acquisition of a £90 million portfolio of five shopping centres at a net initial yield of 9.7 per cent. LVS has also invested directly in NewRiver and is currently the Company's second largest shareholder. The proceeds of the Placing would allow NewRiver, amongst other things, to expand its joint venture activities with LVS.

Additionally, NewRiver recently won an asset management contract for two shopping centres and one high street parade from the administrator, Zolfo Cooper LLP. These properties are already generating fee income.

Both initiatives are strong recognition of management's ability to implement a high quality, active asset management and risk-controlled development strategy.

The scale of the business grew significantly during the year through to 31 March 2013. NewRiver now owns or manages 23 shopping centres and other town centre assets with a current capital value of circa £400 million making it the fourth largest owner and operator in the UK by number of retail assets over 50,000 sq ft. The asset base continues to be defensive, offering capital and income growth through focusing on non-discretionary spend. During the year, the Company further strengthened its assets by adding a series of new, high quality food and value covenants to its retailer mix, including Primark, Wagamama, Starbucks and Nando's.

The NewRiver Management Team has had an active period, not just in portfolio acquisitions, but in the active management of the Company's assets. In the year to 31 March 2013, 142 leasing events were completed; of these, 103 new leases and renewals were completed at a combined 3.4 per cent. above valuer's ERV. Risk-controlled development also plays an important role in the Company's total return strategy and major planning consents have recently been achieved at NewRiver's centres in Wallsend, Erdington and Widnes. The development pipeline extends to some 600,000 sq. ft. of property.

With acquisition yields historically high and borrowing costs historically low, the Board believes that the retail property market continues to offer compelling buying opportunities. The Company intends to take full advantage of these favourable conditions.

### **NewRiver's Investment Focus**

#### ***Introduction***

The Company has built a substantial portfolio of assets in the period since flotation in September 2009. NewRiver now owns or manages 23 shopping centres and other town centre assets with a current capital value of circa £400 million, making it the fourth largest owner and operator in the UK by number of retail assets over 50,000 sq ft.

The Company focuses on the food and value sub-sectors of retail real estate with an emphasis on convenience and non-discretionary spending. The Company is particularly attracted to retail assets which serve everyday core household spending needs. NewRiver believes that such assets offer attractive

investment opportunities at present given, amongst other things, attractive net initial yields at current acquisition prices, sustainable income streams and potential for growth through active asset management and development initiatives.

NewRiver focuses on shopping centre investments but also considers investment in retail parks, portfolios of retail assets and vacant stores with sub-division potential. In addition, the Company seeks to acquire assets in towns with lower occupational costs as a percentage of tenant turnover. In such locations, there tends to be limited competition from both out-of-town retailing and competing town centres, resulting in a high retention of consumer spend and a broader range of retailers.

NewRiver has a clear investment strategy focused on driving income returns and unlocking value through active asset management and risk-controlled development. The Company enjoys strong relationships with many of the UK's leading food and value retailers. The dynamic nature of the UK retail sector will see major participants in the sub-sectors pursuing different real estate strategies at any one time. This allows an active asset manager, such as NewRiver, to operate on a national basis and bring its knowledge of larger tenants with national businesses to local property markets.

In making investment decisions, individual assets or portfolios are appraised according to the Company's investment objectives set out below. Management is also focused on the balance in NewRiver's overall portfolio including the opportunity to create revenue enhancements and cost efficiencies through scale. The Company's portfolio is well spread geographically throughout the United Kingdom and also benefits from a diversified income base of some 850 tenants.

### *Attractions of the Retail Sector*

As a specialist UK-REIT, NewRiver focuses entirely on the UK retail property sector which is the largest sector in the UK commercial property market and continues to deliver resilient long term performance.

Retail is a dynamic sector that is pivotal to the UK economy, representing 20 per cent. of GDP. Retail sales remain resilient and provide a range of opportunities for focused real estate investors and asset managers.

The Directors believe that there are a number of attractive investment opportunities available to the Company for the following reasons:

- Strength and depth in the UK's £311 billion annual retail sales market.
- UK retail sales are estimated to grow by £5 billion in 2013 (1.6 per cent.), the highest increase since 2008.
- Approximately 45 per cent. of all UK retail sales are generated by the large food retailers, including the discount food retailers, who have consistently been growing their space throughout the recession and into 2013.
- Major grocers continue to be significant investors in town centre real estate, with a rapid expansion of space increasing sales by 28 per cent. between 2007 and 2012.
- Current vacant rates are at their long term average and well below the office and industrial sectors.
- There is a shortage of new, highly productive retail space given the limited development activity undertaken over the last three years.

The Company believes that the pipeline of opportunities presented to it is attractive, given the absolute pricing of these assets relative to longer term valuations and relative to the pricing of other retail real estate assets and other real estate sectors in today's market.

Within the food and value sub-sectors there are a number of retailers seeking additional space and with limited, recent retailer development pipeline this provides attractive opportunities to create value by meeting that demand. This is a segment of retail where sales growth continues to be positive, retailers are keen to acquire space across a range of store formats, good tenant covenants are available and tenants are historically keen to agree long lease terms.

The internet may also present an opportunity for traditional retailers who are establishing multi-channel “click and collect strategies”. NewRiver has an active strategy in this regard, including the introduction of free WiFi, Amazon Lockers and an active social media policy to build on consumer loyalty and improve footfall and extend dwell time.

### ***Investment Focus***

NewRiver’s focus on assets which can generate immediate and attractive cash-on-cash returns lies at the heart of its business model. NewRiver focuses on driving the growth of income returns by targeting higher yielding assets with the lowest risk profile through affordable and sustainable income streams and where it has the potential to unlock additional value through its active asset management and risk controlled development skills. Uplift in asset values is expected to be achieved by, where appropriate, undertaking risk-controlled development and refurbishment. NewRiver actively seeks to create shareholder returns and thus value is also captured through the recycling of assets.

NewRiver is currently focusing its investment acquisitions on assets where the predominant retail tenant profile is less reliant on discretionary spend. Research from Verdict Research shows that discretionary spend retailers focused on the housing market or those selling large ticket items such as electrical and white goods have significantly underperformed retailers that are less reliant on discretionary spend, such as food retailers, health and beauty retailers, value clothing retailers and the single and multiple priced discount retailers.

NewRiver is targeting towns with an under-representation of food retail. On each potential acquisition, the Company undertakes rigorous tenant-by-tenant turnover analysis to ensure the affordability and the sustainability of income streams. Through such due diligence, NewRiver seeks to conduct accurate competitor analysis and identify the existence of a broad and balanced demographic, the convenience and connectivity of the town and asset and the form and functionality of the property.

The key investment criteria applied by the Company are as follows:

- Targeted minimum geared returns of 15 per cent. or more per annum.
- Net initial yields at acquisition of 7 per cent. to 10 per cent.
- Annual cash-on-equity returns of 12 per cent. to 15 per cent.
- Sustainable rental levels (3 per cent. to 10 per cent. of tenants’ turnover).
- Identifiable asset management and development opportunities.
- Realisable exit strategies.
- Acquisition meets both standalone investment criteria and complements the portfolio’s geographic and tenant spread.

The Directors will typically target the acquisition of real estate assets with an enterprise value of approximately £5 million to £100 million. As a matter of policy, the Company targets debt gearing levels of 50 to 65 per cent. at acquisition, although on occasion lower levels of indebtedness will be considered depending on the specific acquisition and the funding markets at the time. When appraising future acquisition opportunities the Board will consider the appropriate financing mix between equity, mezzanine and senior debt.

NewRiver also plans selectively to take advantage of other investment opportunities that may arise, including from forced sales, debt restructuring and bank foreclosures and lot sizes that may fall outside the above range or outside of its core investment strategy. NewRiver will also choose to pursue opportunities on a standalone, co-investment or joint venture basis according to the scale of investment required, the availability of equity at the relevant time, the attractions of the investment opportunity and the effect of the acquisition on the Company’s overall portfolio. NewRiver has been successful in winning a number of third party management mandates which generate attractive income through flat fees and incentive fees. The Company is interested in developing this part of its business, albeit with its focus on wholly-owned and joint venture opportunities.

The Board reviews the focus of its investment strategy periodically with a view to determining whether it needs to be modified or varied in any way.

### The Placing

The Directors are proposing to raise additional capital for the Company by way of a placing to institutional and other investors of, in aggregate, 32,682,927 Placing Shares to raise £67 million (before expenses). Ordinary Shares will be issued under the Placing at a price of 205 pence per share which represents:

- a 6.5 per cent. discount to the average closing share price over the 20 trading days prior to the date of this document of 219.2 pence; and
- an 8.9 per cent. discount to 225 pence (being the 31 March 2013 NAV per share of 235 pence less the final dividend in respect of the year ended 31 March 2013 of 10 pence per share which will be paid on 25 July 2013 to Shareholders on the register on 28 June 2013).

The Placing will comprise the Firm Placing and the Additional Placing. The Placing is to be effected by Cenkos and Liberum on the terms of the Placing Agreement. The Company has entered into the Placing Agreement with, amongst others, Cenkos and Liberum, pursuant to which Cenkos and Liberum have agreed to use their respective reasonable endeavours to procure institutional and other placees (including certain existing Shareholders) for the Placing Shares.

Under the Firm Placing, 31,707,318 Firm Placing Shares, representing £65 million, in aggregate, at the Placing Price, will be placed firm with certain institutional and other investors. The number of Firm Placing Shares will not be scaled back and the Firm Placing Shares do not form part of the Additional Placing.

Under the Additional Placing, Discretionary PCBs and other Qualified Investors (who are also Exempt Persons) may subscribe for 975,609 Additional Placing Shares, representing £2 million, in aggregate, at the Placing Price. The Additional Placing Shares have been conditionally placed subject to scale back to satisfy subscriptions by Discretionary PCBs and other Qualified Investors (who are also Exempt Persons) under the Additional Placing.

The latest time and date by which Discretionary PCBs and other Qualified Investors (who are also Exempt Persons) may contact Cenkos and/or Liberum in connection with the Additional Placing is 5.00 p.m. on 27 June 2013 (although Cenkos, Liberum and the Company may, in their absolute discretion, jointly agree to close the Additional Placing at such earlier time and date as they deem appropriate, in which event, an announcement will be made as to the revised time and date). Allocations of the Additional Placing Shares (if any) will be made at the absolute discretion of Cenkos, Liberum and the Company.

Qualified Investors (who are also Exempt Persons) who wish to subscribe for Additional Placing Shares will be required to enter into a placing letter with Cenkos and/or Liberum, as applicable, in which they will be required to provide certain representations and warranties to Cenkos and/or Liberum including, without limitation, that they are Exempt Persons, Qualified Investors (that is, within the meaning of section 86(7) of Financial Services and Markets Act 2000) and, in relation to Discretionary PCBs, engaged by their clients on terms that enable them to make decisions concerning the acceptance of offers of transferable securities on their clients' behalf without reference to such clients. **Any persons who are unable to provide such representations and warranties should not apply for Placing Shares, whether in connection with the Additional Placing or otherwise, and the offer of Placing Shares pursuant to the Placing is not being made to them. If you are in any doubt, you should seek professional advice before taking any further action in respect of the Placing.**

The Placing is not a rights issue or open offer and the Placing Shares will not be offered generally to Shareholders on a pre-emptive basis and it is subject to the Resolutions being passed. In structuring the Placing, the Directors have had regard, amongst other things, to current market conditions, the total net proceeds desired to be raised and the current composition of the Company's share register, as well as the extra cost and delay that would be involved in a rights issue or open offer. After considering these factors, the Directors have concluded that the Placing, comprising the Firm Placing and the Additional Placing, which is being made to a wider range of investors than the Company's existing Shareholders on a non-pre-

emptive basis, represents the most appropriate option available to the Company for raising the additional capital required in the timeframe envisaged. The Directors are seeking the approval of Shareholders for, amongst other things, the dis-application of the pre-emption rights contained in the Articles at the Extraordinary General Meeting.

The Placing is conditional, *inter alia*, on:

- the passing of the Resolutions at the Extraordinary General Meeting by the existing Shareholders and the waiver of pre-emption rights contained in the Articles;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 11 July 2013 (or such later time and/or date, being no later than 8.00 a.m. on 31 July 2013, as the Company, Cenkos and Liberum may agree).

The Placing Agreement contains certain customary warranties in favour of Cenkos and Liberum given by the Company with respect to its business and certain matters connected with the Placing. In addition, the Company has given customary indemnities to Cenkos and Liberum in connection with the Placing and their performance of services in relation to the Placing. Cenkos and Liberum have certain rights to terminate the Placing Agreement in specified circumstances.

If the Placing Agreement does not become unconditional or is terminated in accordance with its terms prior to Admission, the Firm Placing and the Additional Placing will not proceed and each investor's rights and obligations will cease and no claims will be capable of being made by any investor in respect of the Placing and any payments made by the investor will be returned as soon as possible thereafter without interest. Without prejudice to the foregoing, the Company, Cenkos and Liberum expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Placing.

The Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

The Placing Shares will, following Admission, rank in full for all dividends and *pari passu* in all other respects with the Ordinary Shares then in issue and will have the right to receive all dividends and distributions declared in respect of the issued Ordinary Share capital of the Company after Admission. The Placing Shares will not carry an entitlement to the final dividend for the year ended 31 March 2013 of 10 pence per Ordinary Share to be paid on 25 July 2013 to Shareholders on the register as at 28 June 2013.

Directors and management have committed to subscribe for, in aggregate, 53,463 Placing Shares at the Placing Price.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM and to the CISX to be admitted to listing on the Daily Official List of the CISX. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on 11 July 2013.

### **UK-REIT Status**

Shareholders approved the conversion of NewRiver into a UK-REIT in November 2010. The Board continues to believe that UK-REITs are a preferred structure for UK and international quoted real estate investors in UK real estate and should provide the Company with access to a broad range of investors due to the fact that the NewRiver Group will, for as long as it remains a UK-REIT, be largely exempt from future corporation tax on both rental profits and chargeable gains on disposals of investment properties.

### **Effects of the Placing**

Warrants to subscribe for Ordinary Shares, representing, in aggregate, 3 per cent. of the Fully Diluted Share Capital were issued to Shareholders who subscribed for Ordinary Shares in the placing at First Admission. There are currently Warrants outstanding to subscribe for 811,573 Ordinary Shares.



NewRiver Retail CUL, a wholly-owned subsidiary of the Company, has issued £25 million of Convertible Unsecured Loan Stock.

In accordance with the terms of these instruments, the Placing is expected to result in certain adjustments to the number of Ordinary Shares that may be issued pursuant to the Warrants and the Subscription Price payable for such Ordinary Shares. It is also expected to result in an adjustment to the conversion price of the Convertible Unsecured Loan Stock.

#### ***Warrant Adjustments***

The Subscription Price and/or number of Ordinary Shares relating to the Warrants is subject to adjustment in respect of dilution events, including the payment by the Company of cash or scrip dividends, any amalgamation, reorganisation, reclassification, consolidation, merger or sale of all or substantially all the Company's assets (other than in the ordinary course of the Group's business) and other dilutive events.

In particular, pursuant to the terms of the Warrant Instrument, where the Company issues any shares for a consideration per share less than the fair market value of the Ordinary Shares, then the Subscription Price for the Warrants is reduced concurrently with such issue or sale. In addition, the number of Ordinary Shares for which the Subscription Rights are exercisable under the Warrants is subject to a consequential adjustment.

As the Placing Price is 205 pence per Placing Share, which represents a discount of approximately 6.6 per cent. to 219.5 pence (being the closing mid-market price of 229.5 pence per Ordinary Share on 18 June 2013 (the last day of trading of the Ordinary Shares before publication of this document) less the final dividend for the year ended 31 March 2013 of 10p per share which has an ex-dividend date of 26 June 2013), there is expected to be a consequential downward adjustment to the Subscription Price payable by Warrant holders on exercise of their Warrants and a consequential adjustment to the number of Ordinary Shares which may be issued on exercise of the Warrants.

#### ***Convertible Unsecured Loan Stock Adjustments***

Holder of Convertible Unsecured Loan Stock may convert any of their Convertible Unsecured Loan Stock into Ordinary Shares in the Company up to their expected repayment date of 31 December 2015.

In particular, pursuant to the terms of the Convertible Unsecured Loan Stock Instruments, where the Company issues any shares for a consideration per share less than the average closing mid-market price of the Ordinary Shares based on the average closing mid-market price of the Ordinary Shares for the preceding 30 business days prior to such issue or sale, then the conversion price and, therefore, conversion rate, for the Convertible Unsecured Loan Stock is reduced concurrently with such issue or sale unless, in the case of the A Convertible Unsecured Loan Stock only, Forum has utilised any pre-emption rights which may be available to it.

The conversion price is also adjusted for a range of other events including, *inter alia*, where the Company pays a dividend in excess of the amount required to be returned to Shareholders under the UK-REIT regime.

As the Placing Price is 205 pence per Placing Share, which represents a discount of approximately 6.6 per cent. to 219.5 pence (being the closing mid-market price of 229.5 pence per Ordinary Share on 18 June 2013 (the last day of trading of the Ordinary Shares before publication of this document) less the final dividend for the year ended 31 March 2013 of 10p per share which has an ex-dividend date of 26 June 2013), there is expected to be a consequential downward adjustment to the conversion price for both the A and the B Convertible Unsecured Loan Stock.

#### ***Option Adjustments***

Pursuant to the rules of the CSOP, the Unapproved Plan and the Paul Roy Options, the number of Ordinary Shares under option (and in the case of options granted pursuant to the CSOP and the Unapproved Plan, the exercise price) may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to a scrip dividend issued by the Company) or rights offer or any other variation in the share capital of the Company including (without limitation) any

consolidation, subdivision or reduction of capital. Any such adjustment will, in the case of the CSOP, require the prior approval of HMRC. Therefore, the Remuneration Committee is entitled to consider making an adjustment to the exercise price of options granted under the CSOP, the Unapproved Plan and/or the number of Ordinary Shares under the Paul Roy Option or options granted under the CSOP or the Unapproved Plan following completion of the Placing. However, the Directors do not anticipate that any such adjustment will be made.

### **Dividends and Dividend Policy**

The final dividend of 10 pence in respect of the year ended 31 March 2013 was declared on 22 May 2013 and will be paid on 25 July 2013 to Shareholders on the register on 28 June 2013. The ex-dividend date is 26 June 2013. Dividends per share for the year ended 31 March 2013 totalled 16 pence.

The dividend will be paid entirely as a PID (Property Income Distribution). PID dividends are paid, as required by UK-REIT legislation, after deduction of withholding tax at the basic rate of income tax (currently 20 per cent.). However, certain classes of shareholder may be able to claim exemption from deduction of withholding tax.

As a UK-REIT, the Group is required to comply with the UK-REIT regime's distribution condition, such that a minimum of 90 per cent. of the income profits of the Property Rental Business (as calculated, broadly, for tax purposes) are distributed within 12 months of the end of each accounting period.

In relation to the payment of dividends, on 1 July 2008, the Law came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of the Law was to replace the capital maintenance requirements in respect of dividend and distribution payments and the requirement for distributions to be made from distributable profits similar to that to which UK companies are subject and formerly applicable to Guernsey companies with a solvency based test. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made.

Subject to compliance with Section 304 of the Law and the satisfaction of the solvency test set out therein, it continues to be the intention of the Directors, in the event that the Placing is completed successfully, to pay such dividends as appear to be justified by the position of the Company at the relevant time and having regard to all relevant circumstances and to follow a progressive and sustainable policy towards dividends.

### **Extraordinary General Meeting and Action to be Taken**

Set out at the end of this document is a notice convening the Extraordinary General Meeting to be held at 10.00 a.m. on Wednesday, 10 July 2013 to consider and, if thought fit, pass the Resolutions (conditional upon the Placing Agreement becoming unconditional (save for any condition relating to Admission or the passing of the Resolutions)).

Pursuant to Resolution 1, which will be proposed as an ordinary resolution, Shareholders' approval is being sought to grant the Directors authority to allot 32,682,927 Placing Shares, in aggregate, in connection with the Placing.

Pursuant to Resolution 2, which will be proposed as a special resolution, Shareholders' approval is being sought for the dis-application of the pre-emption rights set out in the Articles in relation to the allotment and issue of 32,682,927 Placing Shares, in aggregate, in connection with the Placing and, in accordance with Rule 7.3.17 of the CISX Listing Rules, the allotment and issue of the Placing Shares on a non pre-emptive basis requires the authorisation of a majority of Shareholders on the basis that the Placing Shares are being issued at a discount to the last published net asset value per Ordinary Share. As stated above, the Directors have concluded that a non pre-emptive placing is the most appropriate structure to raise the capital required in the present circumstances. Resolution 2 is therefore being proposed so as to facilitate this.

Shareholders should note that the Resolutions are in addition to, and not in substitution for, the resolutions passed at the Company's annual general meeting held on 4 July 2013 and Article 6.4, which provides that the Directors shall have at their disposal up to 10 per cent. of the Company's issued shares in any calendar year for issue on such terms and conditions (including for cash consideration) and at such times and to such persons as the Board may determine without such issue requiring resolution of the Shareholders.

**A Form of Proxy for use by Shareholders at the EGM is enclosed. Whether or not you propose to attend the EGM, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible and in any event so as to be received no later than 10.00 a.m. on Monday, 8 July 2013.**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the EGM and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita Registrars (ID RA10), by 10.00 a.m. on Monday, 8 July 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending the EGM and voting in person should you wish to do so.

### **Recommendation**

For the reasons set out above, the Directors consider the Placing and the passing of the Resolutions to be in the best interests of the Company and its Shareholders as a whole.

**Accordingly, your Directors unanimously recommend that Shareholders vote in favour of the Resolution as the Directors intend to do in respect of their own shareholdings which, in aggregate, amount to 2,252,794 Ordinary Shares, representing approximately 6.5 per cent. of the existing issued ordinary share capital of the Company as at 18 June 2013, being the latest practicable date prior to the publication of this document.**

### **Responsibility**

The Directors, whose names are set out on page 11 of this document, accept responsibility for the information set out in this document. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Yours faithfully

**Paul Roy**  
*Chairman*

## ADDITIONAL INFORMATION

### Documents on Display

Copies of the following documents will be available for inspection at the registered office of the Company in Guernsey and at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document for a period of 14 days or until Admission, whichever is the longer period:

1. the 2011 Admission Document;
2. this document;
3. the 2013 Annual Accounts;
4. a letter from Colliers International Property Advisers UK LLP confirming that there has been no material change to the valuation of the NewRiver wholly owned properties as at 31 March 2013 up until the date of this document;
5. a supplementary document for the purpose of applying for admission to listing of the Placing Shares on the CISX,

(such documents forming the “Listing Document” for the purposes of the CISX Listing Rules, the information particulars for the purposes of the Registered Collective Investment Scheme Rules 2008 and the prospectus for the purposes of the Prospectus Rules 2008 issued by the Commission); and

6. the memorandum of incorporation of the Company and the Articles.

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## NEWRIVER RETAIL LIMITED

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of NewRiver Retail Limited (the “**Company**”) will be held at the offices of Pelham Bell Pottinger at 6th Floor, Holborn Gate, 330 High Holborn, London WC1V 7QD on Wednesday, 10 July 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

### ORDINARY RESOLUTION

**1. THAT:**

subject to the Placing Agreement (as such expression is defined in the Circular of which this Notice of General Meeting forms part (the “**Circular**”)) becoming unconditional (save for any condition relating to Admission (as such expression is defined in the Circular) or the passing of the Resolutions set out in this Notice of Extraordinary General Meeting), in addition to all existing powers and authorities conferred upon them and to the extent required by Sections 292 and 293 (or otherwise) of The Companies (Guernsey) Law, 2008 (as amended from time to time), the Directors be generally and unconditionally authorised to allot an aggregate of 32,682,927 ordinary shares in the share capital of the Company as described in the Company’s Articles of Incorporation (or to grant options, warrants or other rights in respect of shares in the Company (the “**Rights**”)) pursuant to or in connection with the Placing (as such expression is defined in the Circular).

### SPECIAL RESOLUTION

**2. THAT:**

subject to the Placing Agreement (as such expression is defined in the Circular) becoming unconditional (save for any condition relating to Admission (as such expression is defined in the Circular) or the passing of the Resolutions set out in this Notice of Extraordinary General Meeting) and to the passing of the Resolution 1 set out in this Notice of Extraordinary General Meeting, in addition to all existing powers and authorities conferred upon them, the Company hereby determines pursuant to Article 6.2 of the Company’s Articles of Incorporation that the provisions of Article 6.2 and any pre-emption rights included therein shall not apply in respect of the proposed allotment and issue for cash of the Placing Shares (as such expression is defined in the Circular) at the Placing Price (as such expression is defined in the Circular) pursuant to or in connection with the Placing (as such expression is defined in the Circular) and for the purpose of listing rule 7.3.17 of the CISX Listing Rules, the Directors be and are hereby empowered to issue the Placing Shares notwithstanding that the Placing Shares will be issued at a discount of 12.8 per cent. to the Company’s last published net asset value of 235 pence per share on 31 March 2013, and that the Directors be and are hereby empowered to issue any such Placing Shares as if Article 6.2 and any pre-emption rights included therein did not apply to any such allotment and issue, provided that this power shall be limited to the allotment of the Placing Shares.

**BY ORDER OF THE BOARD**

**Caroline Tolhurst**  
*Company Secretary*

Date: 19 June 2013

*Registered Office:*

Old Bank Chambers  
La Grande Rue  
St Martin’s  
Guernsey  
GY4 6RT

**Notes:**

- (i) Any member entitled to attend, speak and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at a meeting of the Company. A proxy need not be a member of the Company.
- (ii) A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise rights attached to a different share or shares held by him.
- (iii) To be valid the enclosed Form of Proxy for the Extraordinary General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 10.00 a.m. on Monday, 8 July 2013 at the offices of the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU.
- (iv) Completion of the Form of Proxy or submission of a valid electronic proxy appointment will not prevent you from attending and voting in person.
- (v) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company as at 6.00 p.m. on 8 July 2013 shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at such time. If the Extraordinary General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. on the day two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita Registrars (ID RA10), by 10.00 a.m. on Monday, 8 July 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (viii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.  
  
The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
- (ix) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.



