

**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, 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 maintained by the Financial Conduct Authority.**

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**

*(incorporated with limited liability in Guernsey and registered with number 50463)*

### **Proposed Placing of 50,000,000 Placing Shares at a price of 300 pence per Placing 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 22 of this document and which contains, amongst other matters, your Board's recommendation 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 14 July 2015 at the offices of Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET 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 Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF by no later than 10.00 a.m. on 12 July 2015. 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 ID RA10) by no later than 10.00 a.m. on 12 July 2015. 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.

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

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

Kinmont Limited (“**Kinmont**”), 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 will not be responsible to anyone other than the Company for providing the protections afforded to customers of Kinmont, or for advising any other person on the arrangements described in this document.

Liberum, Peel Hunt and Kinmont have not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum, Peel Hunt or Kinmont 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 Liberum, Peel Hunt or Kinmont 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. Liberum, Peel Hunt and Kinmont 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 adviser 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.

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 the 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, Liberum, Peel Hunt and Kinmont 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 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 an 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, Liberum, Peel Hunt or Kinmont to produce a prospectus for such Placing. None of the Company, Liberum, Peel Hunt 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 Liberum, Peel Hunt 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, Liberum and Peel Hunt has been obtained to each such proposed offer or resale. Each of the Company, Liberum and Peel Hunt 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. 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, New Zealand, the Republic of South Africa or to any US person where to do so would breach any applicable law or regulation.

No public offering of the Placing Shares is being made in any jurisdiction. No action has been, or will be, taken by the Company, Liberum or Peel Hunt 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 the Placing Shares 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 US 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 US 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.

#### **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 the 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 or developments contained in this document occur, that performance or those results or developments may not be indicative of performance, 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 contained in this document consists of estimates based on (i) data and reports compiled by professional organisations and analysts; (ii) on data from external sources; and (iii) 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, Liberum, Peel Hunt nor Kinmont 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>“A Convertible Unsecured Loan Stock”</b>	the £17.0 million nominal value A 5.85 per cent. Convertible unsecured loan stock 2015, issued by NewRiver Retail CUL
<b>“Acquisitions”</b>	the Camel III Acquisition and the Trent Acquisition and <b>“Acquisition”</b> shall be construed accordingly
<b>“Acquisition Agreements”</b>	the Camel III Acquisition Agreement and the Trent Acquisition Agreement and <b>“Acquisition Agreement”</b> shall be construed accordingly
<b>“Admission”</b>	the admission of the Placing Shares to trading on AIM becoming effective pursuant to paragraph 6 of the AIM Rules
<b>“2015 EPRA NAV Per Share”</b>	the EPRA NAV per Ordinary Share of 265 pence as at 31 March 2015
<b>“AIM”</b>	the market of that name 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 £6.5 million nominal value B 5.85 per cent. Convertible unsecured loan stock 2015, issued 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, Sundays and public holidays)
<b>“Bravo”</b>	funds managed or advised by Pacific Investment Management Company LLC
<b>“Camel III Acquisition”</b>	the proposed acquisition by NewRiver Retail Holdings No. 3 of 50 per cent. of the units in the Camel III JPUT from the Camel III Seller in order to increase NewRiver Retail Holdings No. 3’s ownership of the Camel III JPUT from its existing level of 50 per cent. to 100 per cent.
<b>“Camel III Acquisition Agreement”</b>	a sale and purchase agreement entered into between (1) the Camel III Seller, (2) NewRiver Trustee 5 Limited, (3) NewRiver Trustee 6 Limited and (4) NewRiver Retail Holdings No. 3 on 18 June 2015 in relation to the Camel III Acquisition
<b>“Camel III JPUT”</b>	the NewRiver Retail Property Unit Trust No. 3
<b>“Camel III Portfolio”</b>	the portfolio owned by the Camel III JPUT, as more particularly described in Part I of this document
<b>“Camel III Seller”</b>	LVS II Lux VIII S.à r.l.

<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>“CISE”</b>	the Channel Islands Securities Exchange Ltd
<b>“Company” or “NewRiver”</b>	NewRiver Retail Limited, a company limited by shares, 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 £23.5 million nominal value 5.85 per cent. Convertible unsecured loan stock 2015 as issued 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>“EGM” or “Extraordinary General Meeting”</b>	the Company’s extraordinary general meeting (or any adjournment thereof) convened for 10.00 a.m. on 14 July 2015 at which the Resolutions will be put to the Shareholders
<b>“ERV”</b>	the estimated rental value, being 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>“EPRA”</b>	the European Public Real Estate Association
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of the CREST system
<b>“First Admission”</b>	the admission of the Ordinary Share capital of the Company to trading on AIM and the CISE becoming effective pursuant to paragraph 6 of the AIM Rules, which occurred on 1 September 2009
<b>“First Quarterly Dividend”</b>	the quarterly dividend of 4.5 pence per Ordinary Share in respect of the quarter ending 30 June 2015, which will be paid on 31 July 2015 to Shareholders on the register on 3 July 2015
<b>“Form of Proxy”</b>	the enclosed form of proxy for use by Shareholders who hold their Ordinary Shares in certificated form in connection with the EGM
<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>“JPUTs”</b>	the Trent JPUT and the Camel III JPUT and <b>“JPUT”</b> shall be construed accordingly
<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 Nominated Adviser and joint corporate broker and joint bookrunner to the Placing
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Marston’s”</b>	Marston’s PLC
<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, Mark Davies, Allan Lockhart, Nick Sewell and François Nairac
<b>“NewRiver Retail CUL”</b>	NewRiver Retail CUL No. 1 Limited
<b>“NewRiver Retail Holdings No. 3”</b>	NewRiver Retail Holdings No. 3 Limited, a wholly owned subsidiary of the Company
<b>“NewRiver Retail Holdings No. 4”</b>	NewRiver Retail Holdings No. 4 Limited, a wholly owned subsidiary of the Company
<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>“Peel Hunt”</b>	Peel Hunt LLP, the Company’s joint corporate broker and joint bookrunner to the Placing
<b>“Placing”</b>	the conditional placing of the Placing Shares with institutional and other investors, details of which are set out in Part I of this document
<b>“Placing Agreement”</b>	the placing agreement dated 19 June 2015 entered into between the Company, Liberum and Peel Hunt

<b>“Placing Price”</b>	300 pence per Placing Share
<b>“Placing Shares”</b>	the 50,000,000 new Ordinary Shares, to be issued pursuant to the Placing
<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>“Qualified Investors”</b>	qualified investors within the meaning of section 86(7) of the Financial Services and Markets Act 2000
<b>“Regulation S”</b>	Regulation S under the US Securities Act
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<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>“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. (as at the date of their original issue)
<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>“Trent Acquisition”</b>	the proposed acquisition by NewRiver Retail Holdings No. 4 of 50 per cent. of the units in the Trent JPUT from the Trent Seller in order to increase NewRiver Retail Holdings No. 4’s ownership



	of the Trent JPUT from its existing level of 50 per cent. to 100 per cent.
<b>“Trent Acquisition Agreement”</b>	a sale and purchase agreement entered into between (1) the Trent Seller, (2) NewRiver Trustee 7 Limited, (3) NewRiver Trustee 8 Limited and (4) NewRiver Retail Holdings No. 4 on 18 June 2015 in respect of the Trent Acquisition
<b>“Trent JPUT”</b>	the NewRiver Retail Property Unit Trust No. 4
<b>“Trent Portfolio”</b>	the pub portfolio owned by the Trent JPUT, as more particularly described in Part I of this document
<b>“Trent Seller”</b>	LVS II Lux IX S.à r.l.
<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>“US Investment Company Act”</b>	the United States Investment Company Act of 1940, as amended
<b>“US Person”</b>	U.S. person as defined in Rule 902(k) of Regulation S
<b>“US Securities Act”</b>	the United States Securities Act of 1933, as amended
<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	300 pence
Number of Placing Shares being placed	50,000,000
Number of Ordinary Shares in issue immediately prior to Admission <sup>†</sup>	127,574,395
Number of Ordinary Shares in issue immediately upon Admission	177,574,395
Estimated proceeds of the Placing receivable by the Company before expenses	£150,000,000
Estimated proceeds of the Placing receivable by the Company after expenses	£146,000,000
Approximate percentage of the enlarged issued Ordinary Share capital being placed pursuant to the Placing <sup>†</sup>	40 per cent.
AIM Symbol	NRR
ISIN Code	GG00B4Z05859

<sup>†</sup> assuming no conversion of Convertible Securities prior to Admission

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Date</b>
Ex-Dividend Date for First Quarterly Dividend	2 July 2015
Record Date for First Quarterly Dividend	3 July 2015
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 12 July 2015
Time and date of the Extraordinary General Meeting	10.00 a.m. on 14 July 2015
Announcement of the results of the Extraordinary General Meeting	14 July 2015
Admission effective and dealings commence in the Placing Shares on AIM	8.00 a.m. on 17 July 2015
CREST stock accounts to be credited with the Placing Shares	8.00 a.m. on 17 July 2015
Dispatch of definitive share certificates for the Placing Shares in certificated form	24 July 2015
Payment date for First Quarterly Dividend	31 July 2015

**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 via a Regulatory Information Service.

## PART I

### 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*)  
Chris Taylor (*Non-Executive Director*)  
Kay Chaldecott (*Non-Executive Director*)  
Andrew Walker (*Non-Executive Director*)

Old Bank Chambers  
La Grande Rue  
Guernsey  
GY4 6RT  
Channel Islands

24 June 2015

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

Dear Shareholder,

#### **Proposed Placing of 50,000,000 Placing Shares at 300 pence per Placing Share**

On 19 June 2015, the Company announced that it had conditionally raised £150 million (before expenses) by means of a Placing.

The purpose of this document is to set out, amongst other things, the background to and reasons for the Placing and to update Shareholders on the Company's recent activity. It also explains why your Board considers that the Placing is in the best interests of the Company and Shareholders, as a whole, and, accordingly, recommends that Shareholders vote in favour of the Resolutions. Part II of this document contains a notice of the EGM and the Resolutions to be proposed thereat.

On 14 May 2015, the Company announced a strong set of results, capping a very busy six year period since the share capital in NewRiver was first admitted to trading on AIM in 2009. The Group's portfolio has grown to 29 Shopping Centres, 9 Retail Warehouses, 19 High Street assets and 202 public houses.

NewRiver continues to purchase assets at attractive yields providing the Company with a good quality income stream, which is distributed to Shareholders through the Company's quarterly dividend programme (indeed, NewRiver is one of the few UK REITS to have such a programme). The Group's acquisition pipeline is strong and the Company will continue to focus on dividend growth. The portfolio also offers significant potential for capital growth. NewRiver's development pipeline is strong, creating additional space in the Shopping Centre and Retail Warehouse portfolios and in the development of the pub estate. The Company currently has approximately 1.25 million square feet of property under development. Active asset management of tenancies enhances yields, contributing to growth in capital values. NewRiver is not therefore in any way reliant on yield compression in its target real estate areas to achieve capital growth or to meet hurdle returns, albeit that there is also longer term potential for further capital appreciation should yields narrow.

## **Details of the Acquisitions**

The net proceeds of the Placing will be used to finance the Acquisitions and NewRiver's near term acquisition and development pipeline, as described in more detail below.

The Acquisitions will comprise:

- the Trent Acquisition, being the acquisition of the 50 per cent. stake not already owned by NewRiver in the Trent JPUT; and
- the Camel III Acquisition, being the acquisition of the 50 per cent. stake not already owned by NewRiver in the Camel III JPUT.

The aggregate cash consideration to acquire the 50 per cent. stake in the Camel III JPUT and the 50 per cent. stake in the Trent JPUT is approximately £52 million and, in addition to the acquisition cost, it is estimated that approximately £24 million of the Placing proceeds will be utilised to fund the capital expenditure programmes associated with these portfolios.

The Acquisitions are being made off market and relate to assets already well known to NewRiver by virtue of its existing 50 per cent. stake in each JPUT. As a result of the Acquisitions, NewRiver will obtain 100 per cent. ownership of both the Camel III JPUT and the Trent JPUT. Sale and purchase agreements have been signed with respect to both Acquisitions.

### ***Trent Acquisition***

NewRiver (through NewRiver Retail Holdings No. 4 (the "Trent Purchaser"), a wholly owned subsidiary of NewRiver) currently owns 50 per cent. of the units in the Trent JPUT and intends to acquire the remaining 50 per cent. from the Trent Seller, a wholly owned subsidiary of Bravo. Upon completion, NewRiver (through the Trent Purchaser and any other subsidiary of NewRiver nominated by it to hold units) will become the 100 per cent. owner of the Trent JPUT.

The Trent JPUT was set up between Bravo and NewRiver (in the ratio of 50:50) in 2013 to acquire a portfolio of 202 UK-based pub properties for a price of £90 million, reflecting a net initial yield of 12.9 per cent.

The acquisition of the 50 per cent. of the Trent JPUT which NewRiver does not already own is being made off market at the equivalent to a 10.1 per cent. net initial yield on the acquisition price. The Trent Acquisition brings 100 per cent. control of the Trent JPUT's portfolio into NewRiver's ownership. Profit Before Tax for the year ended 31 December 2014 (audited) attributable to unitholders of the Trent JPUT was £7.2 million (recurring) with £15.8 million of fair value adjustments, resulting in a total Profit Before Tax attributable to unitholders for the year ended 31 December 2014 of £23 million. Debt of approximately £63 million is currently secured on the assets of the Trent JPUT.

The Trent Acquisition Agreement was entered into on 18 June 2015. The principal terms of the Trent Acquisition Agreement are as follows:

- the consideration payable is £29 million;
- subject to completion of the Trent Acquisition, the Trent Seller is waiving all rights to distributions in respect of any period after 31 March 2015;
- a deposit of £0.5 million has been paid which is returnable after deduction of reasonable costs of the Trent Seller if the Trent Acquisition does not complete;
- the Trent Purchaser is receiving limited warranties as it is an existing unitholder in the Trent JPUT and NewRiver Retail (UK) Limited is the asset manager operating the Trent Portfolio;
- the Trent Acquisition is conditional on the obtaining of funding, which the Company intends to be satisfied by means of the Placing proceeds;
- the Trent Acquisition Agreement will terminate if the conditions thereto are not satisfied by 31 July 2015; and

- completion will only take place if the completion of the Camel III Acquisition takes place simultaneously.

The portfolio of properties owned by the Trent JPUT was acquired in December 2013 from Marston's. It comprises 202 public houses spread across the UK and predominately located in residential areas with good roadside visibility and car parking.

The units were originally selected by NewRiver following detailed due diligence to identify assets with significant potential for asset management and value enhancement initiatives and, as such, the pubs were acquired with the intention to convert the portfolio to alternative uses, primarily into food convenience stores and restaurants. Significant progress has been made in that regard with 44 planning applications submitted to date, of which 12 have been consented. Further, in September 2014, the Co-Operative group signed an agreement to lease 63 convenience stores from sites which form part of the Trent Portfolio.

Under the terms of the original acquisition of the Trent Portfolio, the income was underpinned through a leaseback arrangement with Marston's for the entire portfolio for a minimum term of up to four years, paying a total annual rent of £12.2 million and reflecting a net initial yield on the original acquisition price of 12.9 per cent. Marston's will continue to manage the portfolio as a going concern until conversion and/or sale by NewRiver.

### ***Camel III Acquisition***

NewRiver (through NewRiver Retail Holdings No. 3 (the "Camel Purchaser"), a wholly owned subsidiary of NewRiver) currently owns 50 per cent. of the units in the Camel III JPUT and intends to acquire the remaining 50 per cent. from the Camel III Seller, a wholly owned subsidiary of Bravo. Upon completion, NewRiver (through the Camel III Purchaser and any other subsidiary of NewRiver nominated by it to hold units), will become the 100 per cent. owner of the Camel III JPUT.

The Camel III JPUT was set up between Bravo and NewRiver (in the ratio of 50:50) in October 2013 to acquire a portfolio of properties comprising St Elli Shopping Centre in Llanelli, Gloucester Green Shopping Centre in Oxford, Beacon Shopping Centre in North Shields, Newkirkgate Shopping Centre in Leith and La Porte Precinct in Grangemouth for an aggregate consideration of approximately £58 million, reflecting a net initial yield of 8.9 per cent. Since that acquisition, 37 new leasing events have been completed which has contributed to growth in occupancy and a 4.3 per cent. growth in net operating income. Looking forward, there are a number of value enhancing asset management and development prospects which have been identified across the Camel III Portfolio. Whilst these opportunities are being pursued, the portfolio will also continue to provide an attractive income return.

The acquisition of the 50 per cent. of the Camel III JPUT which NewRiver does not already own is being made off market at the equivalent to a 7.2 per cent. net initial yield based on the acquisition price. The Camel III Acquisition brings 100 per cent. control of the Camel III JPUT's portfolio into NewRiver's ownership. Profit Before Tax for the year ended 31 December 2014 (audited) attributable to unitholders of the Camel III JPUT was £3.9 million (recurring) with £11.2 million of fair value adjustments, resulting in a total Profit Before Tax attributable to unitholders for the year ended 31 December 2014 of £15.1 million. Debt of approximately £32 million is currently secured on the assets of the Camel III JPUT.

The Camel III Acquisition Agreement was entered into on 18 June 2015. The principal terms of the Camel III Acquisition Agreement are as follows:

- the consideration payable is approximately £23 million;
- subject to completion of the Camel III Acquisition, the Camel III Seller is waiving all rights to distributions in respect of any period after 31 March 2015;
- a deposit of £0.5 million has been paid which is returnable after deduction of the reasonable costs of the Camel III Seller if the Camel III Acquisition does not complete;
- the Camel III Purchaser is receiving limited warranties as it is an existing unitholder in the Camel III JPUT and NewRiver Retail (UK) Limited is the asset manager operating the Camel III Portfolio;

- the Camel III Acquisition is conditional on the obtaining of funding, which the Company intends to be satisfied by means of the Placing proceeds;
- the Camel III Acquisition will terminate if the conditions thereto are not satisfied by 31 July 2015; and
- completion will only take place if completion of the Trent Acquisition takes place simultaneously.

The assets being acquired comprise a net lettable area of approximately 482,100 square feet across over 115 tenancies. The average lease length outstanding is 7.6 years. Since NewRiver's acquisition of its initial 50 per cent. interest, the assets have performed well and have benefited from the Company's active asset management. Looking forward, the assets present a range of further opportunities to enhance value through asset management and risk controlled development activities which NewRiver is already progressing.

Further details of each of the properties are set out below:

#### *St Elli Shopping Centre, Llanelli*

Attracting a large catchment and only 16 miles from Swansea, the St Elli is a popular retail destination spanning 161,700 sq. ft., 450 parking bays and is anchored by ASDA.

#### *Gloucester Green, Oxford*

This 17,800 sq. ft. marketplace in the heart of Oxford already boasts a mix of national and local retailers, weekly markets, 100 space car park and sits adjacent to the city's main bus station. NewRiver has plans to improve the space in partnership with the council.

#### *The Beacon Shopping Centre, North Shields*

The Beacon is the retail heart of the bustling town of North Shields with an excellent range of fashion and value retailers. The centre is 177,100 sq. ft., benefits from a 460 bay car park and is directly linked to the recently refurbished Library and Community Service Centre.

#### *Newkirkgate Shopping Centre, Leith*

Newkirkgate is a 100,100 sq. ft. shopping centre located in the original heart of Leith. It is less than 2 miles from Princes Street in Edinburgh and offers local residents convenient and affordable shopping from multiple retailers. The centre is well connected with bus links and a 70 bay car park to allow easy access.

#### *La Porte Precinct, Grangemouth*

La Porte Precinct is 25,400 sq. ft. and is the prime retail parade in the town centre at Grangemouth.

Taken together, NewRiver is targeting the following with respect to Acquisitions:

- project IRR of 15 per cent. to 17.5 per cent.;
- a cash-on-cash equity return in year 1 of 12.7 per cent.;
- a gain of approximately £2 million of working capital and approximately £1.9 million of accrued profits;
- a projected promote payment of between £3 million and £4 million, in aggregate, to NewRiver; and
- an effective saving of circa £6 million of property transaction costs.

### **Current Pipeline**

NewRiver also continues to pursue a pipeline of other potential acquisitions and development opportunities, all within its target investment criteria. In particular, heads of terms ("Heads of Terms") have been agreed and respective board approvals have been obtained to pursue the acquisition of a portfolio of 13 retail park assets for circa £70 million.



The portfolio comprises 13 sites, of which nine are investment properties (£64 million) and four are assets which also have development potential (£6 million). Each property asset is adjacent to a store occupied by one of the major grocers. Under the Heads of Terms, the initial yield at acquisition will be approximately eight per cent. The portfolio is well let, with 97 per cent. occupancy and an average rent of £12 per sq. ft. Further, the portfolio offers a good investment opportunity as well as development prospects, with a projected capital expenditure requirement of £30 million. Planning consent has already been obtained for the four development assets. Based on the current Heads of Terms, returns on the proposed acquisition are expected to exceed the Company's target return criteria.

### **Financial Impact**

The Directors believe that the Placing, the Acquisitions and the wider pipeline of activity represent a significant further growth opportunity, as well as an opportunity to diversify the Company's asset base and to enhance its returns. In particular, assuming completion of the Placing, the Acquisitions and the acquisition of the 13 retail park assets (based on the agreed Heads of Terms) (together the "Transactions"), the Company estimates the Transactions will be enhancing to earnings in the current financial year. Based on current projections this would be in excess of 5 per cent. accretive.

*(This statement is not intended to be a profit forecast and should not be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company. In addition, this statement assumes the acquisition of the 13 retail park assets referred to completes on or before 31 July 2015.)*

The Company expects its loan to value at the year end to 31 March 2016 to remain at or around 40 per cent.

### **Intended Move to Main Market of the London Stock Exchange**

The Placing and the Acquisitions mark a significant next step in NewRiver's progress. Upon completion of the Placing, it is expected that the Company will have a market capitalisation in excess of £500 million. Accordingly, NewRiver also announced on 19 June 2015 that it intends to move its listing to the Main Market and, subject to meeting eligibility criteria, for its share capital to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange. This move up to the Main Market would put NewRiver on a par with similarly sized companies and afford it access to a wider institutional investor base in the UK and overseas.

### **Current Trading**

#### ***Financial Overview***

NewRiver announced its financial results for the twelve months to 31 March 2015 on 14 May 2015. For the period to 31 March 2015, the Company delivered a profit before tax of £39.5 million (2014: £23.1 million). EPRA NAV stood at 265 pence per share at 31 March 2015, an increase of 10.5 per cent. on the 2014 financial year end figure. EPRA net assets stood at £369 million. Dividends increased by 6.25 per cent. to 17 pence (2014: 16 pence). £330 million of acquisitions across the whole portfolio were completed in the period (NewRiver's share being £259.9 million) at a weighted average net initial yield of 8.12 per cent.

NewRiver's active asset management policy continued with 216 leasing events completed in the period: new long-term leasing events were on average completed at 10.1 per cent. above the then ERV, with a weighted average lease expiry profile of 10.7 years.

In the period, £75 million of equity and £278 million of debt was raised, with £330 million invested into new acquisitions. NewRiver continues to recycle capital through disposals where opportune and eight disposals in the period realised cash proceeds of £40.2 million (NewRiver's share: £35.1 million).

#### ***Shopping Centres***

By far the majority of acquisition activity in the twelve months to 31 March 2015 was for the shopping centre portfolio. Weighted net initial yields of 7.93 per cent. at acquisition price were achieved, which compares favourably with the previous year (6.14 per cent.).

The Swallowtail Portfolio was acquired for £140 million from a UK bank in August 2014 at a net initial yield of 7.9 per cent. It comprises 785,000 square feet of retail space in Hastings, Newton Mearns (a suburb of Glasgow) and Newtonabbey (a suburb of Belfast). NewRiver acquired the asset in a 50:50 joint venture with Bravo. Annual footfall stands at more than 15 million, with tenants including Marks & Spencer, Asda, Primark, Next, H&M, Topshop and Poundland.

In January 2015, NewRiver acquired the 90 per cent. of the Camel II Portfolio it did not already own from Bravo for a total consideration of £71.1 million, equating to a net initial yield of 7.75 per cent. The underlying portfolio comprises five shopping centres in Oxford, Hull, Bridlington, Kilmarnock and Leamington Spa. The net lettable area comprises close to one million square feet across 200 underlying tenancies with a weighted average lease length of 7.2 years.

Further acquisitions during the period were made at Warminster (£9 million), Worthing (£5.8 million) and Morecombe (£14 million).

### ***Retail Warehouses***

NewRiver invested £45.25 million in Retail Warehouses in the 12 month period to 31 March 2015. The majority of these transactions were acquired off-market at a blended net initial yield of 8.81 per cent., with an average rent per square foot of £10.56.

NewRiver will continue to target investments in this segment with underlying rent of less than £15 per square foot, let to strong covenants, in the capital value range of between £5 – 30 million.

For the main part these will include properties with active asset management potential allowing value to be added through the re-gearing of leases, letting of vacant units and extensions and development. Tenant demand is good for this type of asset from the discount and value retailers in the right locations.

### ***Pub portfolio***

In 2013, NewRiver acquired 202 pubs from Marston's. There is significant progress in the pub portfolio conversion programme with a total of 44 planning applications already submitted for which 12 consents have been achieved to date totalling over 100,000 square feet of space for convenience store development.

This progress follows an agreement for lease entered into with The Co-operative Group Limited in September 2014 to lease 63 new convenience stores from NewRiver's original pub portfolio. The underlying announced performance from the pub portfolio is strong with the current portfolio EBITDA 1.1 per cent. above the guaranteed income received from Marston's. Development plans for the remainder of the portfolio are underway and the Directors are pleased to see interest from a broad group of operators including national coffee shop brands, leading drive thru operators, care homes and restaurants, as well as other national retailers seeking to expand their footprint by growing their convenience store penetration.

The pub portfolio also offers significant residential development opportunities. To date, NewRiver has submitted two planning applications, with local authority support, to provide 15 detached and semi-detached houses. Approvals are anticipated in mid-summer 2015. Pre-applications are underway on a further six pub sites to provide a further 32 houses, five of which have already received positive local authority support with the sixth pending.

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

The Company has built a substantial portfolio of assets in the period since its flotation in September 2009. NewRiver now owns or manages 29 shopping centres and other town centre assets with a current capital value in excess of £848 million, making it the third largest owner and operator in the UK by number of retail assets over 50,000 square feet. NewRiver also owns nine retail warehouses, 19 high street assets and a portfolio of 202 public houses.

The Group specialises in the food, value and discount sub-sectors of retail real estate with an emphasis on convenience and non-discretionary spending. It is particularly attracted to retail assets which serve everyday core household spending needs. Some 56 per cent. of the Group's tenant base measured by rental income are

retailers in the food, value and discount sub-sectors. NewRiver's portfolio is focused on convenience spend on so called top-up shopping of the "little and often" variety. The Directors believe that such real estate assets continue to offer attractive investment opportunities at present given, amongst other things, attractive net initial yields at current acquisition prices, sustainable income streams and the potential for capital growth through active asset management and development initiatives.

NewRiver continues to acquire assets at attractive prices and, as the scale of the business grows, the potential range of transaction sizes, acquisition structures and return profiles also broadens.

NewRiver 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. The experience of the NewRiver Management Team in real estate across the United Kingdom and their knowledge of the national and local retailer base assists in identifying and executing opportunities with assets outside of more competitive areas such as the South East. NewRiver also targets towns with an under-representation of food retail.

As NewRiver has grown it has become more and more apparent how important the Company is to local communities. Owning or managing the main shopping centre in a town makes the Company a major stakeholder in the community and the strength of the Company's relationships with local authorities has grown accordingly. The Directors consider that NewRiver is increasingly viewed and treated as a key local partner. Town centres are changing: they are now far more mixed use hubs incorporating retail, leisure, dining and residential, which come together to create vibrant communities. NewRiver is at the heart of that change.

The digital age has re-invigorated the retail sector and the Directors are excited by the opportunities this presents, especially in the regions where there is potential for further enhanced digital marketing and technology to drive higher footfall within the Company's centres. NewRiver is continuously exploring new technologies that will enhance shoppers' journeys, increase basket spend for retailers and create a digitally connected customer experience. The introduction of free wifi and click and collect lockers are examples of these initiatives and NewRiver is engaged in early trials of beacon and transaction-generated technologies.

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, value and discount 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.

NewRiver focuses on assets which can generate immediate and attractive cash-on-cash returns, both in its core retail portfolio and in assessing broader opportunities such as its pub portfolio. In making investment decisions, individual assets or portfolios are appraised according to the Company's investment objectives set out below. The NewRiver Management Team is also mindful of the overall balance of NewRiver's portfolio including the opportunity to create revenue enhancements and cost efficiencies through scale. The Group's portfolio is well spread geographically throughout the United Kingdom and also benefits from a diversified income base of nearly 1,400 tenants.

NewRiver drives 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. Risk controlled development continues to play an important role in generating attractive total returns for shareholders and NewRiver's development pipeline currently spans approximately 1.25 million square feet.

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 NewRiver continue to be:

- targeted geared returns of 15 per cent. or more per annum;
- net initial yields at acquisition in excess of 7 per cent;
- annual cash-on-equity returns of at least 10 per cent;
- sustainable rental levels (3 per cent. to 10 per cent. of tenants' turnover);
- identifiable asset management and development opportunities;
- realisable exit strategies; and
- acquisition meets both standalone investment criteria and complements the portfolio's geographic and tenant spread.

As a matter of policy, the Company targets debt gearing levels of 40 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 on a transaction-by-transaction basis. With the benefit of increased scale, NewRiver will seek to move away from asset-by-asset debt financing and towards corporate facilities with attendant benefits in flexibility and cost.

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

### **The Placing**

The Company's current fundraising is being effected by way of a conditional placing to institutional and other investors of, in aggregate, 50,000,000 Placing Shares to raise £150 million (before expenses). The Placing Shares will be issued under the Placing at a price of 300 pence per share which represents:

- a premium of 13.2 per cent. to the EPRA NAV of 265 pence per share as at 31 March 2015 (a 14.9 per cent. premium when adjusted for the First Quarterly Dividend); and
- a discount of 4.6 per cent. to the closing mid market share price of 314.5 pence on 18 June 2015, the latest practicable date prior to the first announcement of the Placing on 19 June 2015 (a 3.3 per cent. discount when adjusted for the First Quarterly Dividend).

Liberum and Peel Hunt are acting as joint bookrunners in relation to the Placing.

On 19 June 2015, the Company entered into the Placing Agreement with Liberum and Peel Hunt (the "Placing Agreement") pursuant to which Liberum and Peel Hunt agreed to use their respective reasonable endeavours to procure institutional and certain other investors (including certain existing shareholders) for the Placing Shares. The Placing will be subject to the Resolutions being passed at the EGM which has been convened for 14 July 2015.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective on or around 17 July 2015 and that dealings in the Placing Shares will commence at that time.

In addition, the Placing is conditional, amongst other things, on:

- the passing of the Resolutions and the waiver of pre-emption rights contained in the Company's Articles;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission;
- the Acquisition Agreements not having been terminated in accordance with their terms prior to Admission; and

- Admission becoming effective by 17 July 2015 (or such later date as the Company, Liberum and Peel Hunt may agree, being no later than 8.00 a.m. on 31 July 2015).

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. Subscribers for Placing Shares are bound by the terms and conditions of the Placing as detailed in the first press announcement made by the Company on 19 June 2015.

Subscribers for Placing Shares will not be entitled to receive the First Quarterly Dividend but the Placing shares will rank, from Admission, *pari passu* in all other respects with the Ordinary Shares currently in issue.

### Directors' Participation

Certain Directors of the Company have agreed to subscribe for, in aggregate, 90,666 Placing Shares at the Placing Price. The disclosable interests of each Director subscribing for Placing Shares are set out below:

<i>Director</i>	<i>Placing Shares to be subscribed</i>	<i>Shareholding immediately following completion of the Placing</i>	<i>Percentage of voting Ordinary Shares following completion of the Placing</i>
David Lockhart	42,000	1,722,000	0.97
Allan Lockhart	33,333	262,560	0.15
Mark Davies	12,000	30,000	0.02
Nick Sewell	3,333	114,833	0.07

### Dividends

With effect from the financial year commencing 1 April 2014, the Company commenced the payment of quarterly dividends.

NewRiver announced the First Quarterly Dividend for the current financial year of 4.5 pence per Ordinary Share on 19 June 2015. The First Quarterly Dividend will be payable as a REIT Property Income Distribution ("PID") on 31 July 2015 to Shareholders on the register on 3 July 2015. Ordinary Shares will be marked ex-dividend in respect of the First Quarterly Dividend on 2 July 2015.

Subscribers for Placing Shares will not be entitled to receive the First Quarterly Dividend but the Placing Shares will rank, from Admission, *pari passu* in all other respects with the Ordinary Shares currently 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.

As a REIT, NewRiver distributes at least 90 per cent. of its recurring profits as dividends. The policy of quarterly dividends provides a source of regular income for Shareholders, thus improving their cashflow return profile.

The next quarterly dividend will be for the quarter ending 30 September 2015. In keeping with an ongoing policy where quarterly dividends will be announced around the relevant quarter end, such dividend is expected to be announced before the end of October 2015 and to be payable in mid-November 2015.

The level of future dividends will be determined by the Board having regard to, *inter alia*, the financial position and performance of the Company at the relevant time, compliance with Section 304 of the Law (see below), UK REIT requirements and the interests of Shareholders as a whole.

In relation to the payment of dividends, under Guernsey law, a dividend can be paid from any source (i.e. not just from distributable profits) provided that the Company can meet the statutory solvency test (as set out in the Law) immediately after the dividend is paid. A company satisfies the solvency test if (a) it is able to pay its debts as they fall due and (b) the value of its assets is greater than the value of its liabilities. The Company may not make a payment if the Directors are not satisfied on reasonable grounds that the Company will, immediately after payment, satisfy the solvency test.



## **Effects of the Placing**

Warrants to subscribe for Ordinary Shares, representing, in aggregate, three 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 568,702 Ordinary Shares. NewRiver Retail CUL, a wholly-owned subsidiary of the Company, has issued £25 million of Convertible Unsecured Loan Stock of which £23.5 million of stock is currently outstanding.

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 Ordinary Shares for a consideration per Ordinary 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.

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 as a result of the Placing.

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

Holders of Convertible Unsecured Loan Stock may, at any time, 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 Ordinary Shares for a consideration per Ordinary 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, the holder thereof 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.

There is expected to be a consequential downward adjustment to the conversion price for both the A and the B Convertible Unsecured Loan Stock as a result of the Placing.

### ***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, *inter alia*, 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 Options or options granted under the CSOP or the Unapproved Plan following completion of the Placing.

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

Set out at the end of this document is a notice convening the EGM to be held at 10.00 a.m. on 14 July 2015 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 50,000,000 Placing Shares, in aggregate, in connection with the Placing.

Pursuant to resolution 13 proposed to be passed at the Company's Annual General Meeting convened for 30 June 2015 (the "AGM") (as set out in the notice of the AGM dated 29 May 2015) ("AGM Resolution 13"), the Company is seeking approval for the grant of authority to the Directors to allot 42,524,798 Ordinary Shares, representing, in aggregate, one third of the Company's issued Ordinary Share capital as at the date of this document, on a non pre-emptive basis and an additional 42,524,798 Ordinary Shares, representing, in aggregate, an additional one third of the Company's issued Ordinary Share capital, in connection with a rights issue or other pre-emptive offer.

Assuming that Resolutions 1 and 3 are passed at the EGM and the Company's issued Ordinary Share capital enlarged by approximately 40 per cent. as a consequence, it is proposed that Resolution 2 also be passed, pursuant to which the Directors will be given authority to allot:

- 16,666,667 Ordinary Shares on a non pre-emptive basis, which, together with the 42,524,798 Ordinary Shares proposed to be allotted pursuant to AGM Resolution 13 on a non pre-emptive basis, will represent, in aggregate, approximately one third of the Company's issued Ordinary Share capital following the allotment and issue of the Placing Shares; and
- an additional 16,666,667 Ordinary Shares in connection with a rights issue or other pre-emptive offer, which, together with the 42,524,798 Ordinary Shares proposed to be allotted pursuant to AGM Resolution 13 in connection with a rights issue or other pre-emptive offer, will represent approximately an additional one third of the Company's issued Ordinary Share following the allotment and issue of the Placing Shares.

The authority proposed to be given to the Directors to allot Ordinary Shares pursuant to Resolution 2 will be in addition to the authority to be given to the Directors pursuant to AGM Resolution 13, if passed at the AGM.

Pursuant to Resolution 3, 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 50,000,000 Placing Shares, in aggregate, in connection with the Placing on a non pre-emptive basis.

**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 Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF, as soon as possible and in any event so as to be received no later than 10.00 a.m. on 12 July 2015.**

**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 Asset Services (ID RA10), by 10.00 a.m. on 12 July 2015. 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 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 Resolutions as the Directors intend to do in respect of their own shareholdings which, in aggregate, amount to 2,374,958 Ordinary Shares, representing approximately 1.87 per cent. of the existing issued Ordinary Share capital of the Company as at 23 June 2015, 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 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.

Yours faithfully,

**Paul Roy**  
*Chairman*

## PART II

### 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 Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET on 14 July 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 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 Extraordinary 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 50,000,000 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) pursuant to or in connection with the Placing (as such expression is defined in the Circular).

2. THAT:

to the extent required by Sections 292 and 293 (or otherwise) of The Companies (Guernsey) Law, 2008 (as amended from time to time):

- (a) the Directors be generally and unconditionally authorised to allot up to an aggregate of 16,666,667 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”));
- (b) the Directors be generally and unconditionally authorised to allot up to an aggregate of 33,333,334 ordinary shares in the share capital of the Company, as described in the Company’s Articles of Incorporation (or to grant Rights) (such amount to be reduced by any shares allotted or Rights granted under sub-paragraph (a) above) in connection with a rights issue or other pre-emptive offer in favour of holders of ordinary shares where the ordinary shares respectively attributable to the interests of all ordinary shareholders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
- (c) provided that the above authorities shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2016 and the date which is 15 months after the date that this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authorities conferred by this resolution have expired; and
- (d) the above authorities are in addition to all previous authorities conferred on the Directors in accordance with Sections 292 or 293 of The Companies (Guernsey) Law, 2008 (as amended) but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

## **SPECIAL RESOLUTION**

### **3. 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 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**

**Matthew Jones**  
*Company Secretary*

Date: 24 June 2015

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

#### **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 12 July 2015 at the offices of the Company's registrars, Capita Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF.
- (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 12 July 2015 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 Asset Services (ID RA10), by 10.00 a.m. on 12 July 2015. 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 Asset Services 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.







