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 12 of this document, and the Directors, whose names also appear on page 12 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

NEWRIVER RETAIL LIMITED

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

Proposed Underwritten Placing of 27,272,727 Placing Shares at a Placing Price of 275 pence per Placing Share

and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of NewRiver Retail Limited which is set out on pages 12 to 21 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 2.30 p.m. on 8 January 2015 at the offices of 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 Asset Services, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by no later than 2.30 p.m. on 6 January 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 2.30 p.m. on 6 January 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, 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 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.

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 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 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. 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.

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 (S1 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 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 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, Liberum Capital Limited or Kinmont Limited to produce a prospectus for such Placing. None of the Company, Liberum Capital Limited or Kinmont Limited has authorised, nor do they authorise, the making of any offer of Ordinary Shares through any financial intermediary, other than offers made by Liberum Capital Limited or Kinmont Limited 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 and Liberum Capital Limited has been obtained to each such proposed offer or resale. Each of the Company, Liberum Capital Limited 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, 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 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 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 data and reports compiled by professional organisations and analysts, 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, 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.

CONTENTS

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:

"**2011 Admission Document**"	the AIM Admission Document of the Company dated 7 July 2011
"**A Convertible Unsecured Loan Stock**"	the £17.0 million nominal value A 5.85 per cent. Convertible unsecured loan stock 2015, issued by NewRiver Retail CUL
"**Acquisition**"	the proposed acquisition by NewRiver Holdings of 90 per cent. of the units issued in the JPUT from LVS in order to increase NewRiver Holdings' ownership of the JPUT from its existing level of 10 per cent. to 100 per cent.
"**Acquisition Agreement**"	a sale and purchase agreement entered into between (1) LVS, (2) NewRiver Trustee 1 Limited, (3) NewRiver Trustee 2 Limited and (4) NewRiver Holdings on 2 December 2014 in respect of the Acquisition
"**Admission**"	the admission of the Placing Shares to trading on AIM becoming effective pursuant to paragraph 6 of the AIM Rules
"**Adjusted Closing Share Price**"	the closing share price of Ordinary Shares adjusted to deduct the Second Quarterly Dividend and the Third Quarterly Dividend
"**30 September 2014 EPRA NAV Per Share**"	the EPRA NAV per Ordinary Share as at 30 September 2014 of 252 pence
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the rules of the London Stock Exchange governing the admission to, and the operation of, AIM
"**Articles**"	the articles of incorporation of the Company
"**B Convertible Unsecured Loan Stock**"	the £8.0 million nominal value B 5.85 per cent. Convertible unsecured loan stock 2015, issued by NewRiver Retail CUL
"**Board**" or "**Directors**"	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 12 of this document
"**Business Day**"	any day on which banks in London and Guernsey are open for business (excluding Saturdays and Sundays and public holidays)
"**Bravo**"	a fund managed or advised by Pacific Investment Management Company LLC
"**Bravo II**"	a fund managed or advised by Pacific Investment Management Company LLC
"**certificated**" or "**in certificated form**"	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)
"**CISE**"	the Channel Islands Securities Exchange Ltd

"**Company**" or "**NewRiver**"	NewRiver Retail Limited, a company limited by shares, incorporated in Guernsey with registration number 50463
"**Convertible Securities**"	securities convertible into or exchangeable into Ordinary Shares
"**Convertible Unsecured Loan Stock**"	the £25.0 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
"**Convertible Unsecured Loan Stock Instruments**"	the instruments pursuant to which the Convertible Unsecured Loan Stock was issued
"**CREST**"	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)
"**CREST Service Provider**"	Capita Registrars (Guernsey) Limited, pursuant to the Registrar Agreement with the Company dated 26 August 2009
"**CSOP**"	the NewRiver Retail Limited Company Share Option Plan 2009
"**EGM**" or "**Extraordinary General Meeting**"	the Company's extraordinary general meeting (or any adjournment thereof) convened for 2.30 p.m. on 8 January 2015 at which the Resolutions will be put to the Shareholders
"**ERV**"	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
"**EPRA**"	the European Public Real Estate Association
"**EPRA Adjusted EPS**"	comprises recurring profits and realised profits divided by the weighted average number of shares in issue during the period
"**Euroclear**"	Euroclear UK & Ireland Limited, the operator of the CREST system
"**First Admission**"	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
"**Form of Proxy**"	the enclosed form of proxy for use by Shareholders who hold their Ordinary Shares in certificated form in connection with the EGM
"**Fully Diluted Share Capital**"	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
"**GFSC**"	the Guernsey Financial Services Commission
"**Group**"	the Company and its subsidiaries and subsidiary undertakings from time to time
"**JPUT**"	the NewRiver Retail Property Unit Trust
"**Kinmont**"	Kinmont Limited, the Company's financial adviser
"**Law**"	the Companies (Guernsey) Law, 2008, as amended
"**Liberum**"	Liberum Capital Limited, the Company's nominated adviser and corporate broker
"**London Stock Exchange**"	London Stock Exchange plc
"**LVS**"	LVS Luxembourg IV Sàrl
"**NAV**"	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
"**NewRiver Holdings**"	NewRiver Retail Holdings Limited, a wholly owned subsidiary of the Company
"**NewRiver Management Team**"	as at the date of this document, David Lockhart, Allan Lockhart, Nick Sewell and Mark Davies
"**NewRiver Retail CUL**"	NewRiver Retail CUL No. 1 Limited
"**Options**"	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
"**Ordinary Shares**"	the ordinary shares of no par value in the capital of the Company
"**Paul Roy Options**"	the options over Ordinary Shares granted to Paul Roy on the date of First Admission
"**Placing**"	the underwritten placing of the Placing Shares with institutional and other investors, details of which are set out in Part 1 of this document
"**Placing Agreement**"	the Placing agreement dated 3 December 2014 entered into between the Company and Liberum
"**Placing Price**"	275 pence per Placing Share
"**Placing Shares**"	27,272,727 new Ordinary Shares, representing approximately £75 million at the Placing Price
"**Property Rental Business**"	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
"**Qualified Investors**"	qualified investors within the meaning of section 86(7) of the Financial Services and Markets Act 2000

"**Regulation S**"	Regulation S under the US Securities Act
"**Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"**Resolutions**"	the resolutions proposed to be passed by Shareholders at the Extraordinary General Meeting
"**Second Quarterly Dividend**"	second quarterly dividend in respect of the year ended 31 March 2015 of 4.25 pence per Ordinary Share which has an ex-dividend date of 29 December 2014 is payable on 30 January 2015 to shareholders on the register at close of business on 30 December 2014
"**Share Equivalents**"	(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
"**Shareholders**"	holders of Ordinary Shares from time to time
"**Share Incentive Plans**"	the CSOP and the Unapproved Plan
"**Specified Percentage**"	in respect of any Warrant and the exercise of the relevant Subscription Rights, the specified percentage stated in the Warrantholder'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)
"**Subscription Price**"	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
"**Subscription Rights**"	each Warrantholder'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
"**Subsidiary**"	as construed in accordance with section 1159 of the Companies Act 2006 and section 531 of the Law
"**subsidiary undertakings**"	as construed in accordance with section 1261 of the Companies Act 2006
"**Third Quarterly Dividend**"	the third quarterly dividend in respect of the year ended 31 March 2015 of 4.25 pence per Ordinary Share which has an ex-dividend date of 2 January 2015 and is payable on 30 January 2015 to shareholders on the register at close of business on 5 January 2015
"**UK**" or "**United Kingdom**"	United Kingdom of Great Britain and Northern Ireland
"**UK-REIT**"	a UK Real Estate Investment Trust under Part 12 of the Corporation Taxes Act 2010

"**UK-REIT regime**"	the UK-REIT regime introduced by the Finance Act 2006 and re-written in Part 12 of the Corporation Taxes Act 2010
"**Unapproved Plan**"	the NewRiver Retail Limited Unapproved Share Option Plan 2009
"**US Investment Company Act**"	the United States Investment Company Act of 1940, as amended
"**US Person**"	U.S. person as defined in Rule 902(k) of Regulation S
"**US Securities Act**"	the United States Securities Act of 1933, as amended
"**uncertificated**" or "**in uncertificated form**"	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
"**Warrantholders**"	holders of Warrants
"**Warrant Instrument**"	the warrant instrument of the Company dated 26 August 2009
"**Warrants**"	the warrants granted by the Company to Shareholders subscribing for Ordinary Shares at First Admission, pursuant to the Warrant Instrument
"**£**" or "**pound**" or "**sterling**"	the lawful currency of the United Kingdom

PLACING STATISTICS

Placing Price per Placing Share	275 pence
Number of Placing Shares being placed	27,272,727
Number of Ordinary Shares in issue immediately following Admission†	127,574,395
Estimated proceeds of the Placing receivable by the Company before expenses	£75 million
Estimated proceeds of the Placing receivable by the Company after expenses	£73 million
Percentage of the enlarged issued ordinary share capital being placed pursuant to the Placing†	21.4 per cent.
AIM Symbol	NRR
ISIN Code	GG00B4Z05859

†assuming no conversion of Convertible Securities prior to Admission

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dispatch of this document and Forms of Proxy	8 December 2014
Ex-dividend date in respect of the Second Quarterly Dividend	29 December 2014
Record date for Second Quarterly Dividend	6.00 p.m. on 30 December 2014
Ex-dividend date in respect of the Third Quarterly Dividend	2 January 2015
Record date for Third Quarterly Dividend	6.00 p.m. on 5 January 2015
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments by Shareholders for the Extraordinary General Meeting	2.30 p.m. on 6 January 2015
Time and date of the Extraordinary General Meeting	2.30 p.m. on 8 January 2015
Announcement of the results of the Extraordinary General Meeting and the Placing	8 January 2015
Admission effective and dealings commence in the Placing Shares on AIM	8.00 a.m. on 12 January 2015
CREST stock accounts to be credited with the Placing Shares in uncertificated form	8.00 a.m. on 12 January 2015
Dispatch of definitive share certificates for the Placing Shares in certificated form by	14 January 2015
Expected completion date of the Acquisition	15 January 2015
Payment date for Second Quarterly Dividend and Third Quarterly Dividend	30 January 2015

NEWRIVER RETAIL LIMITED

(Incorporated in Guernsey with registered number 50463)

Paul Roy (*Non-Executive Chairman*)	Old Bank Chambers
David Lockhart (*Chief Executive*)	La Grande Rue
Mark Davies (*Finance Director*)	St Martin's
Allan Lockhart (*Property Director*)	Guernsey
Nick Sewell (*Director*)	Channel Islands
Andrew Walker (*Non-Executive Director*)	GY4 6RT
Chris Taylor (*Non-Executive Director*)	
Kay Chaldecott (*Non-Executive Director*)	8 December 2014

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

Dear Shareholder,

Proposed Underwritten Placing of 27,272,727 Placing Shares at 275 pence per Placing Share

Acquisition of Remaining 90 per cent. of Shopping Centre Joint Venture from LVS

On 3 December 2014, the Company announced its intention to raise up to £75 million (before expenses) by means of a Placing conducted via an accelerated bookbuild. On the same day, the Company was subsequently pleased to announce that it had conditionally raised the entire £75 million (before expenses). The Placing, which is being fully underwritten by Liberum Capital, is therefore expected to raise £73 million net of expenses for the Company.

The purpose of this document is to set out, amongst other things, the background to and reasons for the fundraising and update Shareholders on the Company's recent investment activity. It also explains why your Board considers that the Placing and the Acquisition 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 acquired portfolio provides an attractive income stream on assets already known to the Company and will allow NewRiver to pursue a number of exciting value-enhancing asset management and risk controlled development opportunities. The Acquisition is expected to add significant long term value and be NAV and EPRA Adjusted EPS enhancing in the current financial year and beyond. The commercial relationship with our joint venture partner, Bravo, remains strong and both parties continue to pursue further joint venture opportunities, including through their 50:50 Bravo II joint venture.

Placing and Acquisition

The net proceeds of the fundraising will be used to finance the Acquisition as described in more detail below.

The joint venture was set up between LVS (a subsidiary of Bravo, a fund advised or managed by Pacific Investment Management Company LLC) and NewRiver (in the ratio of 90:10, respectively) in December 2012 to acquire a portfolio of 5 shopping centres for a price of £85 million, reflecting a net initial yield of 9.7 per cent. Since that acquisition, 50 new leasing events have been completed, contributing to net operating income growth and occupancy across the portfolio rising from 94.3 per cent. to a current level of 97.7 per cent. Looking forward there are a number of value enhancing asset management and development prospects which have been identified across the joint venture portfolio. Whilst these opportunities are being pursued the portfolio will also continue to provide an attractive income return.

The Acquisition of the 90 per cent. of the joint venture which the Company does not already own is being made off market at the equivalent to a 7.75 per cent. net initial yield on the acquisition price. The Acquisition brings 100 per cent. control of an attractive portfolio into NewRiver's ownership. Profit Before Tax for the year ended 31 December 2013 (audited) attributable to Unitholders of the NewRiver Property Unit Trust was £6.3 million (recurring) with £3.6 million of fair value adjustments, resulting in a total Profit Before Tax attributable to Unitholders for the year ended 31 December 2013 of £9.9 million. Debt of £42.5 million is currently secured on the assets of the joint venture.

NewRiver Holdings currently holds 10 per cent. of the units in the JPUT and intends to acquire the remaining 90 per cent. from LVS. Upon completion NewRiver Holdings will become the 100 per cent. owner of the JPUT.

The Acquisition Agreement was entered into on 2 December 2014. The principal terms of the Acquisition Agreement are as follows:

- the consideration payable is £71 million;
- accrued income from the JPUT in the period from 1 October to 31 December 2014 is to be apportioned 50:50 between NewRiver Holdings and LVS and LVS is waiving all rights to distributions in respect of any period after 31 December 2014;
- a deposit of £1 million has been paid which is returnable after deduction of costs of LVS if the Acquisition does not complete;
- NewRiver Holdings is receiving limited warranties as it is an existing unitholder in the JPUT and NewRiver Retail (UK) Limited is the asset manager operating the JPUT's portfolio;
- the Acquisition is conditional upon the obtaining of funding, which the Company intends to be satisfied by means of the Placing proceeds; and
- the Acquisition is also conditional on obtaining of necessary bank consents and release of security over the units of the JPUT which are being transferred.

The Placing is conditional upon the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to the Company being in receipt of the proceeds of the Placing in order to enable it to complete the Acquisition). Should this condition not be satisfied, the Placing will not proceed.

The 5 shopping centres and single high street asset being acquired comprise a net lettable area of approximately one million square feet across over 200 tenancies. Average lease length outstanding is 7.2 years. Since NewRiver's acquisition of its initial 10 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 significant 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.

Templars Square, Oxford

Templars Square is one of Oxford's largest covered shopping centres, attracting over 5 million visitors each year. The centre comprises 290,000 sq ft of retail accommodation and is let to retailers including Wilkinson, Co-Op, Boots, WH Smith and Superdrug.

The Promenades, Bridlington

The Promenades in Bridlington is the town's only covered and managed retail centre comprising 97,000 sq ft of retail space and 30 retail units. Tenants are a variety of high street retailers including New Look, Argos, Poundland, Sports Direct, Peacocks and Greggs.

Burns Mall, Kilmarnock

Burns Mall comprises 185,000 sq ft of space and is Kilmarnock's only shopping centre, strategically located adjacent to the town's bus station. The centre is let to a range of value and convenience retailers including New Look, Home Bargains, BHS, Boots and JD Sports. Also included within the ownership is a 20,000 sq ft office building, which is leased to East Ayrshire Council.

Regent Court, Leamington Spa

Regent Court in Leamington Spa is a food and leisure-led scheme developed by NewRiver over the past 18 months and comprises a modern open 54,000 sq ft retail centre with a Grade II Listed hotel and private residences situated above the retail accommodation. Tenants include Nandos, Yo! Sushi, Las Iguanas, Zou Bisou, Turtle Bay and Wagamama.

The Prospect Centre, Hull

The Prospect Centre in Hull provides the city's principal value focused retail offer comprising circa 240,000 sq ft of retail space, some 30,700 sq ft of office accommodation and a secure 250-space multi-storey car park. Key retailers include Currys, Wilkinson, WH Smith, Boots, Poundland and a multi-branded food court anchored by Burger King.

Ferensway, Hull

Ferensway, a 49,000 sq ft former department store, was acquired in July 2014. The asset is adjacent to the Prospect Centre and is one of the largest single retail spaces in Hull presently fully let to Poundland and a Chinese restaurant with further food and leisure development underway.

Current Trading

Set out below is the Chairman's statement included in the Company's Unaudited Results for the six months ended 30 September 2014 announced on 20 November 2014.

The first half of the financial year has been another strong period for the Company since listing in 2009 and I am pleased to report NewRiver's interim results for the six months to 30 September 2014.

The Company continued to deliver a strong financial performance. EPRA adjusted profit increased by 120 per cent. to £6.8 million (Sept 2013: £3.1 million), whilst assets under management grew to £767 million since the end of the last financial year, representing a 28 per cent. uplift since 31 March 2014. The Board has approved two Quarterly Dividend payments resulting in an increase of the interim dividend to 8.5 pence (Sept 2013: 6 pence).

Following the successful and oversubscribed capital raise at the beginning of 2014, NewRiver secured £85 million of fresh equity. The Management team has effectively deployed the majority of the equity proceeds having identified attractive opportunities to acquire quality assets and completing £174 million of new acquisitions during the period.

The major event of the period was the £140 million acquisition of three large shopping centres, part of the Swallowtail Portfolio, which added 758,000 sq ft of high quality retail space to NewRiver's growing asset base. The acquisition was funded through the Company's well-established joint venture with Bravo II, with both parties taking a 50 per cent. equity stake. Acquired at an attractive initial 8 per cent. yield, the centres offer a range of opportunities for NewRiver to exercise its active asset management initiatives to enhance income and value, a number of which are already underway.

The freehold acquisition of the Linear Portfolio comprising four retail parks for £17.3 million, and a retail warehouse in Gloucester for £4.25 million, both at highly attractive yields of 9.1 per cent. and 8.3 per cent. respectively, creates access to the traditional edge of town marketplace.

The Company also acquired Three Horseshoes Walk in Warminster for £9.0 million at an attractive yield of 9.0 per cent. as well as a number of smaller assets both during the period (£3.12 million) and post balance sheet (£11.26 million) totalling £14.38 million. These acquisitions reflect the expedient and resourceful use of capital raised earlier this year.

In addition to an active acquisition programme, the NewRiver team delivered 110 new lettings and lease renewals during the period at 11.1 per cent. above ERV delivering £2.7 million pa of income. The Company's growing development pipeline within the existing portfolio, some 1 million sq ft in total, continues to progress well with 20 planning applications submitted in the period together with the completion of two pre let development projects in Widnes and Preston.

The Marston's pub portfolio acquired 12 months ago is performing ahead of expectations. These high yielding assets have generated significant cash income into the business and the planned alternative use conversion strategy is ahead of schedule. In September NewRiver announced 63 C-Store Agreement for Leases with The Co-Operative Group (an expansion of the original 54 Conditional Agreements for Lease announced in April 2014) built principally on excess land with each pub remaining a going concern. This represents nearly a third of the pub estate and reflects the rapid delivery of NewRiver's stated strategy to meet the fast-growing demand for C- Stores from major food store operators.

The Board is delighted with the Company's significant progress which further demonstrates that NewRiver is achieving its objective of becoming one of the leading value-creating retail property investment businesses in the UK. The Board looks forward to the future with confidence.

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 28 shopping centres and other town centre assets with a current capital value in excess of £779 million, making it the third largest owner and operator in the UK by number of retail assets over 50,000 sq ft.

The Group specialises in the food and value 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 54 percent of the Group's tenant base measured by rental income are retailers in the food and value sub-sectors. The Directors believe 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. The Group also considers investment in retail parks, portfolios of retail assets and vacant stores with sub-division potential. 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.

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. 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 some 1,100 tenants.

During the financial year ended 31 March 2014, the Group acquired 202 pubs from Marston's in a 50:50 joint venture with Bravo II. NewRiver is aware of the major retailers' desire to expand their convenience store openings and, following an extensive period of financial and real estate due diligence, acquired this portfolio for £90 million. As part of the transaction, Marston's agreed to manage the portfolio under a lease-back structure for a period of 4 years during which NewRiver earns a 12.9 percent rental income (at the purchase price). New River recently announced that it had entered into a conditional agreement to lease 63 of these sites to Co-Op on 15 year leases.

Investment Focus

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 retail, 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. 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 also targets 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 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
- 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, higher or 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.

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 Group's overall portfolio.

The Board reviews the 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 an underwritten placing to institutional and other investors of, in aggregate, 27,272,727 Placing Shares to raise approximately £75 million (before expenses). The Placing Shares will be issued under the Placing at a price of 275 pence per Placing Share which represents:

- a 5.7 per cent. discount to the Adjusted Closing Share Price on 2 December 2014, being the day prior to the first announcement in connection with the proposed Placing; and
- a 9.1 per cent. premium to the last reported EPRA NAV per Ordinary Share of 252 pence (being the 30 September 2014 EPRA NAV per Ordinary Share).

The Placing, which is conditional, amongst other things, on the Resolutions being passed at the EGM, is being effected by Liberum on behalf of the Company on the terms of the Placing Agreement. The Company has entered into the Placing Agreement with Liberum pursuant to which Liberum has agreed to use its reasonable endeavours to procure institutional and other placees (including certain existing Shareholders) to subscribe for the Placing Shares, failing which Liberum will subscribe, as principal, for the Placing Shares which are not so subscribed at the Placing Price.

The Placing is not a rights issue or open offer and the Placing Shares have not been and 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, 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 upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Liberum's obligations under the Placing Agreement are conditional on, *inter alia*:

- publication of a circular convening an extraordinary general meeting of the Company to grant the authorities needed for the Placing;
- the passing of the resolutions at an extraordinary general meeting of the Company to be convened for on or around 8 January 2015
- the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to the Company being in receipt of the proceeds of the Placing in order to enable it to complete the Acquisition) and not having been terminated in accordance with its terms prior to Admission;
- the warranties contained in the Placing Agreement being true and accurate in all material respects and not misleading in any material respect;
- the Company complying with all of its material obligations under the Placing Agreement to the extent the same fall to be performed or satisfied prior to Admission and Liberum receiving a certificate from the Company confirming such is the case; and
- Admission taking place by 8.00 a.m. (London time) on 30 January 2015 (or such later date as the Company and Liberum may otherwise agree).

The Placing Agreement contains certain customary warranties in favour of Liberum given by the Company with respect to its business and certain matters connected with the Placing. In addition, the Company has given a customary indemnity to Liberum in connection with the Placing and its performance of services in relation to the Placing. Liberum has 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 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 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 not carry the entitlement to receive the Second Quarterly Dividend or the Third Quarterly Dividend. However, the Placing Shares will rank *pari passu* in all other respects with the Ordinary Shares then in issue and will carry the entitlement to receive all dividends and distributions declared in respect of the issued Ordinary Share capital of the Company after Admission.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on 12 January 2015.

Directors' Participation

Certain Directors of the Company have agreed to subscribe for, in aggregate, 47,543 Placing Shares at the Placing Price. The disclosable interests of each Director subscribing for Placing Shares are set out below:

Director	*Placing Shares to be subscribed*	*Shareholding immediately following the Placing*	*Percentage of voting Ordinary Shares following the Placing*
Paul Roy	10,000	370,000	0.29%
David Lockhart	20,000	1,680,000	1.32%
Allan Lockhart	17,543	229,227	0.18%

Related Party Transaction

Under the AIM Rules, a non pre-emptive issue of shares to a related party which exceeds a specified percentage in any of the class tests under the AIM Rules is subject to certain disclosure requirements. Due to its holding of over 10 per cent. of the Company's voting Ordinary Shares, the proposed participation in the Placing by Invesco Asset Management Limited ("**IAML**"), as agent for and on behalf of its discretionary managed clients (which has previously notified the Company that the aggregate holding of these clients was 25,448,377 Ordinary Shares, representing approximately 25.51 per cent. of the Company's voting Ordinary Shares), is deemed a transaction with a related party under the AIM Rules. IAML, as agent for and on behalf of its discretionary managed clients, has agreed conditionally to subscribe for up to 7,738,181 Placing Shares under the Placing, such that it will hold approximately 26.12 per cent. of the voting Ordinary Shares following the Placing. The Directors of the Company consider, having consulted with Liberum, the Company's Nominated Adviser, that the terms of the Placing are fair and reasonable insofar as the Shareholders are concerned.

Dividends

Quarterly Dividends

On 21 January 2014, with effect from the financial year commencing 1 April 2014, the Company announced that it would pay dividends quarterly. The first such quarterly dividend (4.25p) was paid in October 2014. The second such quarterly dividend (4.25p) was declared on 19 November 2014 and is payable on 30 January 2015 to Shareholders on the register on 30 December 2014. Further, on 3 December 2014 the Company announced a third such quarterly dividend which is payable on 30 January 2015 to shareholders on the register on the 5 January 2015.

The Placing Shares will not carry the entitlement to receive the Second Quarterly Dividend or the Third Quarterly Dividend but will rank *pari passu* in all other respects with the Ordinary Shares currently in issue and will carry the entitlement 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 to shareholders, thus improving their cashflow return profile.

The next quarterly dividend, which will be for the final quarter of the year ended 31 March 2015, is, in keeping with an ongoing policy where quarterly dividends will be announced around the relevant quarter end, expected to be announced before the end of March 2015 and payable by 30 April 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.

Overview of Tax and Legal Matters Pertaining to Dividends

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 made. A company satisfies the solvency test if (a) the company is able to pay its debts as they fall due and (b) the value of the company's 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.

UK-REIT Status and AIM Quotation

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 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.

The Company is quoted on AIM. It ceased to be quoted on the CISE on 1 October 2013.

At Admission, the Company was registered with the GFSC as a closed-ended investment company. Upon an application by the Company, the GFSC agreed to revoke the declaration of the Company as a registered closed-ended collective investment scheme pursuant to The Registered Collective Investment Scheme Rules 2008 on the basis that it is a general commercial trading company and hence no longer has the attributes of a collective investment scheme. To that effect, the Company is no longer subject to the supervision of the GFSC.

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 566,008 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.

As the Placing Price is 275 pence per Placing Share, which represents a discount of approximately 2.3 per cent. to the Adjusted Closing Share Price of 281.5 pence on 5 December 2014 (the last day of trading of the Ordinary Shares before publication of this document) there is expected to be a consequential downward adjustment to the Subscription Price payable by Warrantholders 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

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.

As the Placing Price is 275 pence per Placing Share, which represents a discount of approximately 2.3 per cent. to the Adjusted Closing Share Price of 281.5 pence on 5 December 2014 (the last day of trading of the Ordinary Shares before publication of this document) 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.

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 2.30 p.m. on 8 January 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 27,272,727 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 27,272,727 Placing Shares, in aggregate, in connection with the Placing on a non pre-emptive basis. 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.

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, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible and in any event so as to be received no later than 2.30 p.m. on 6 January 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 2.30 p.m. on 6 January 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 and the Acquisition 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 2,390,374 Ordinary Shares, representing approximately 2.38 per cent. of the existing issued Ordinary Share capital of the Company as at 5 December 2014, being the latest practicable date prior to the publication of this document.

Responsibility

The Directors, whose names are set out on page 12 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

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 Bell Pottinger at 6th Floor, Holborn Gate, 330 High Holborn, London WC1V 7QD on 8 January 2015 at 2.30 p.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 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 27,272,727 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).

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 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.

ORDER OF THE BOARD

Caroline Tolhurst
Company Secretary
Date: 8 December 2014

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 2.30 p.m. on 6 January 2015 at the offices of the Company's registrars, Capita Asset Services, 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 6 January 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 2.30 p.m. on 6 January 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.