

Description

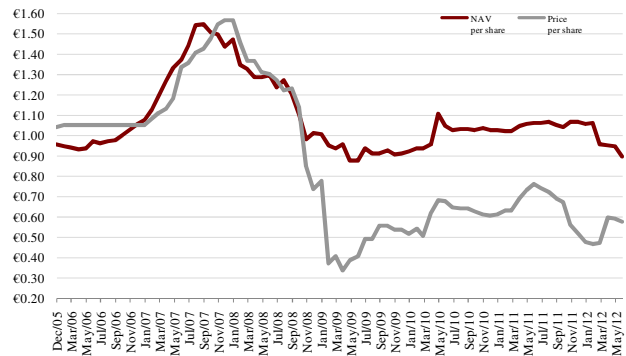
Reconstruction Capital II (“RC2” or the “Fund”) is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005 raising €24m initially, with two follow-on offerings in May-06 and Dec-07 raising a further €40m and €71m net of expenses respectively. New Europe Capital Ltd (London) is the investment manager to RC2. New Europe Capital SRL (Bucharest) and New Europe Capital DOO (Belgrade) are the investment advisers to RC2.



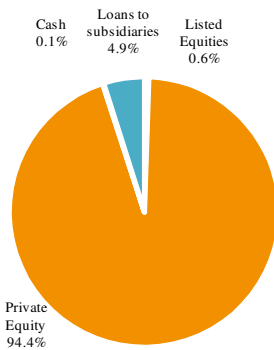
Statistics

	RC2 NAV returns	2008	2009	2010	2011	2012
NAV per share (€)	0.9006					
Share price (€)	0.5788	Jan -8.27%	-5.65%	1.36%	-0.54%	0.11%
Total NAV (€m)	90.1	Feb -1.48%	-1.51%	0.03%	0.24%	-9.68%
Mk Cap (€m)	57.9	Mar -3.03%	2.39%	2.07%	2.48%	-0.51%
# of shares (m)	100.0	Apr -0.26%	-8.40%	15.60%	0.70%	-0.65%
NAV return since inception	-5.84%	May 0.93%	-0.26%	-5.42%	0.55%	-4.98%
12-month NAV CAGR	-15.18%	Jun -4.75%	3.08%	-1.57%	0.25%	
NAV annualized Return*	-0.93%	Jul 2.85%	1.08%	0.53%	0.13%	
NAV annualized Volatility*	13.52%	Aug -5.55%	0.23%	0.07%	-1.10%	
Best month (NAV)	15.60%	Sep -8.34%	1.20%	-0.62%	-1.25%	
Worst month (NAV)	-10.52%	Oct -10.52%	-1.79%	0.96%	2.63%	
# of months up (NAV)	42	Nov 3.03%	0.46%	-1.15%	-0.25%	
# of months down (NAV)	35	Dec -0.60%	1.08%	-0.06%	-0.49%	
		YTD	-3.143%	-8.38%	11.07%	3.32%
						-15.08%

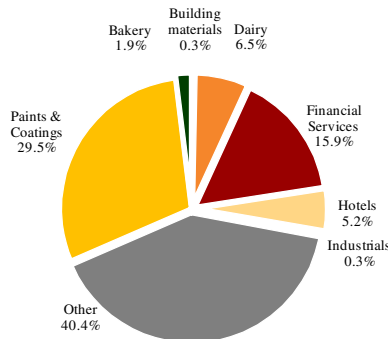
Share price / NAV per share (€)



Portfolio Structure by Asset Class

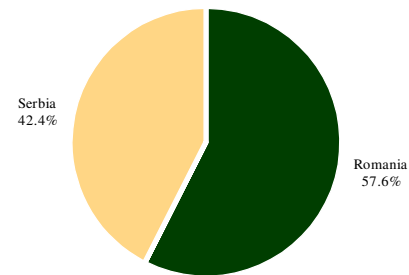


Equity Portfolio Structure by Sector



Note: EPH investment included under Other

Equity Portfolio Structure by Geography



Note: EPH investment included under Serbia

Commentary

As at 31st May, RC2’s investment in Policolor was valued downward from €29.6m to €26.8m (€-2.8 million) by the independent valuer due to a new head of Policolor’s main architectural coatings division revising downwards that division’s anticipated sales and profitability for 2012, and for future years.

Furthermore, the valuation of RC2’s investment in EPH was reduced from €38.0m to €36.7m due to the writing down of the value of a plot of land owned by the EPH group.



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