

## Description

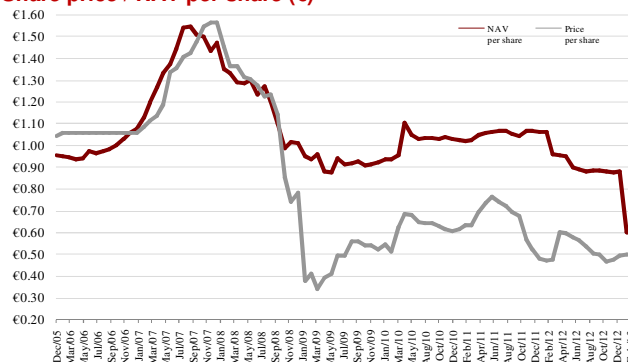
Reconstruction Capital II ("RC2" or the "Fund") is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005 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.



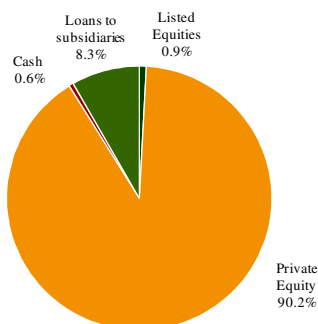
## Statistics

	RC2 NAV returns	2009	2010	2011	2012	2013
NAV per share (€)	0.5980					
Share price (€)	0.4988	Jan -5.65%	1.36%	-0.54%	0.11%	-31.58%
Total NAV (€ m)	59.8	Feb -1.51%	0.03%	0.24%	-9.68%	-0.50%
Mk Cap (€ m)	49.9	Mar 2.39%	2.07%	2.48%	-0.51%	
# of shares (m)	100.0	Apr -8.40%	15.60%	0.70%	-0.65%	
NAV return since inception	-37.48%	May -0.26%	-5.42%	0.55%	-4.98%	
12-month NAV CAGR	-37.64%	Jun 3.08%	-1.57%	0.25%	-1.48%	
NAV annualized Return*	-6.34%	Jul 1.08%	0.53%	0.13%	-0.73%	
NAV annualized Volatility*	17.40%	Aug 0.23%	0.07%	-1.10%	0.61%	
Best month (NAV)	15.60%	Sep 1.20%	-0.62%	-1.25%	0.01%	
Worst month (NAV)	-31.58%	Oct -1.79%	0.96%	2.63%	-0.81%	
# of months up (NAV)	45	Nov 0.46%	-1.15%	-0.25%	-0.38%	
# of months down (NAV)	41	Dec 1.08%	-0.06%	-0.49%	0.30%	
* since inception		YTD -8.38%	11.07%	3.32%	-17.17%	-31.92%

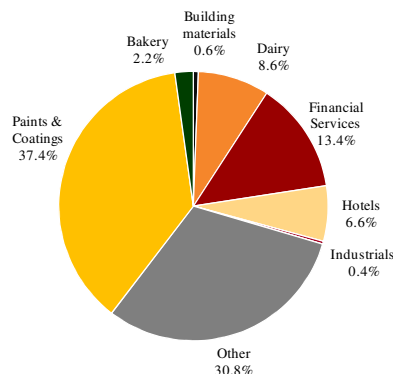
## Share price / NAV per share (€)



## Portfolio Structure by Asset Class

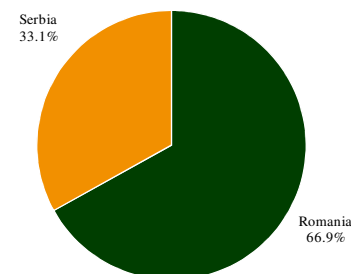


## Equity Portfolio Structure by Sector



Note: EPH investment included under Other

## Portfolio Structure by Geography



Note: EPH investment included under Serbia

## Investment update

- Pursuant to a decision reached by Cyprus and the Eurogroup, the country's two largest banks (Bank of Cyprus and Laiki Bank) are to undergo a restructuring process whereby uninsured deposits in excess of €0.1m per depositor will be used to bail-in these banks. In particular, Laiki Bank will be split into a "good" and a "bad" bank, with its insured deposits merged into the Bank of Cyprus, and uninsured deposits in excess of €0.1m to remain at a "bad" bank to be wound down over time. In addition, certain temporary capital controls have been introduced by the Central Bank of Cyprus in order to stabilize its banking system. East Point Holdings Limited ("EPH") and certain subsidiaries had cash holdings amounting to approximately €2.5m at Laiki Bank on the relevant date, of which €1.4m was on deposit as security for a performance bond issued in favour of the Serbian Privatization Agency for the privatization of Novkabel, EPH's cable producer. The status relating to the monies on deposit in relation to the performance bond is still not clear. Regarding the balance of €1.1m, it appears that EPH will be able to recover at least €0.3m, as three separate companies of the group had deposits at Laiki Bank. However, the situation is still subject to change and is being monitored on a daily basis.
- Albalact SA has proposed distributing a gross dividend of 0.0105 RON/share, which would result in a €350,000 net distribution to RC2. The proposed dividend is subject to approval by the annual shareholders meeting convened for 29<sup>th</sup> April.



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