

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.



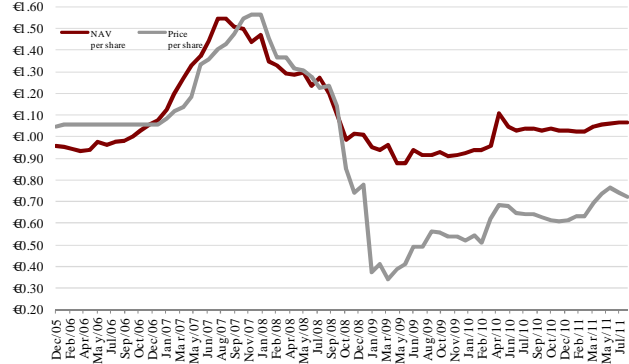
Statistics

NAV per share (€)	1.0659
Share price (€)	0.7238
Total NAV (€m)	106.6
Mk Cap (€m)	72.4
# of shares (m)	100.0
NAV return since inception	11.44%
12-month NAV CAGR	3.01%
NAV annualized Return*	1.96%
NAV annualized Volatility*	13.64%
Best month (NAV)	15.60%
Worst month (NAV)	-10.52%
# of months up (NAV)	40
# of months down (NAV)	27
*since inception	

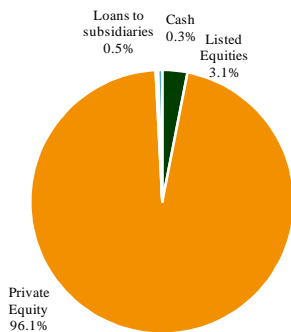
RC2 NAV returns

	2007	2008	2009	2010	2011
Jan	4.70%	-8.27%	-5.65%	13.6%	-0.54%
Feb	6.17%	-1.48%	-1.51%	0.03%	0.24%
Mar	5.90%	-3.03%	2.39%	2.07%	2.48%
Apr	5.05%	-0.26%	-8.40%	15.60%	0.70%
May	3.08%	0.93%	-0.26%	-5.42%	0.55%
Jun	5.19%	-4.75%	3.08%	-1.57%	0.25%
Jul	6.93%	2.85%	1.08%	0.53%	0.13%
Aug	0.22%	-5.55%	0.23%	0.07%	
Sep	-2.50%	-8.34%	1.20%	-0.62%	
Oct	-0.69%	-10.52%	-1.79%	0.96%	
Nov	-4.09%	3.03%	0.46%	-1.15%	
Dec	2.46%	-0.60%	1.08%	-0.06%	
YTD	36.74%	-31.43%	-8.38%	11.07%	3.85%

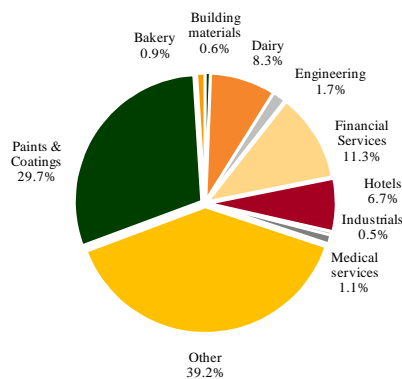
Share price / NAV per share (€)



Portfolio Structure by Asset Class

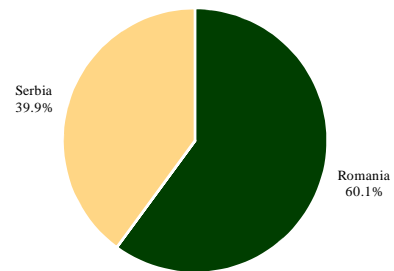


Equity Portfolio Structure by Sector



Note: EPH investment included under Other

Portfolio Structure by Geography



Note: EPH investment included under Serbia

Commentary

Please refer to the Quarterly Report for the period ended 30 June 2011 for market commentary and updates in respect of investee companies.



Investment Manager
 New Europe Capital Ltd
 33 Marloes Road
 London W8 6LG
 Tel +44 20 7244 0088
 london@neweuropcapital.com

Investment Adviser Romania & Bulgaria
 New Europe Capital SRL
 Str. Tudor Arghezi nr.21, et.6
 Bucuresti - Sector 2
 Tel +40 21 316 7680
 bucharest@neweuropcapital.com

Investment Adviser Serbia
 New Europe Capital DOO
 Francuska 12
 11000 Beograd
 Tel +381 11 715 1982
 belgrade@neweuropcapital.com