

**This announcement replaces RNS announcement 9978K released at 07:00 today.
This is being reissued to correct the description of Darby and its relationship with EPH.**

Reconstruction Capital II Limited
(“RC2” or the “Company”)

29 April 2010

RC2 increases its shareholding in East Point Holdings Limited (“EPH” or the “Group”) by exchanging claims against EPH’s founding shareholders for additional shares

RC2 is pleased to announce that it has increased its shareholding in EPH from 21.33% to 42.00% as a result of exchanging claims against EPH’s founding shareholders for an additional shareholding in the Group.

Under RC2’s original investment agreement, RC2 had the right to put its shares in EPH back to EPH and its founding shareholders (the "Put Option") if a reorganisation of the Group into its various business lines (the “Reorganisation”) had not taken place by 8 December 2009.

Because EPH was unable to complete the required Reorganisation in due time, RC2 was able to exercise the Put Option and did so as a protective measure in early 2010. Following this exercise, RC2 commenced negotiations with the Group and, after examining all options and with particular regard to the difficulties in monetising the claim derived from the Put Option, RC2 determined that the most beneficial solution for its shareholders was to exchange its claim for additional shares in EPH.

At the same time, Darby Converging Europe Mezzanine Fund L.P. (“Darby”), a principal investment fund, also became a 24.67% shareholder in EPH. Darby is part of Darby Overseas Investments, Ltd., a wholly owned subsidiary of Franklin Resources, Inc. [NYSE:BEN], a global investment management organization operating as Franklin Templeton Investments.

Following the above transactions the new shareholding structure of EPH is:

RC2:	42.00%
Darby:	24.67%
Founders:	33.33%

RC2’s original investment in EPH amounted to EUR 30 million and, based on an independent valuation last year, this was written down to EUR 18m to reflect changed market conditions. RC2 has now commissioned a new valuation of EPH to reflect the current business environment and the Group’s latest financial results. It is expected that the new valuation of this investment will be included in the May monthly NAV statement, which will also reflect RC2’s higher shareholding in EPH.

Ion Florescu, a director of RC2, commented: “We are pleased to continue our partnership with the founders of EPH and welcome Darby as a new shareholder. Since the entry of RC2 into the Group, substantial progress has been made to reorganize EPH along its business lines, improve corporate governance and prepare its various businesses for exits. RC2 and its partners in this investment intend to build up shareholder value by continuing to work on these objectives.”

Robert D. Graffam, Senior Managing Director of Darby, commented “We are pleased to be joining RC2 and the Founding Shareholders as a major stakeholder in EPH, a prominent Group operating many attractive businesses throughout Central and Southeast Europe.”

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About EPH

Founded in 1990, EPH is a Cyprus-based holding company with significant business interests across South East Europe, primarily Serbia and Romania. Based on the audited consolidated accounts, in 2008 the Group recorded sales of EUR 426.1m and an operating profit of EUR 9.9m. EPH operates along the following main business lines:

- **Agribusiness:** the Group is a specialist trader in agricultural products across South East Europe, and has built up a network of agricultural storage facilities along or near the Danube, including a flagship silo in the port of Constanta.
- **Milling:** the Group owns two wheat and one corn flower mill all of which are based in Serbia and include cereal storage facilities.
- **Bakeries:** the Group owns a controlling stake in Klas DOO, the largest industrial bakery group in Serbia including a network of retail shops and several production sites across the country.
- **Copper Processing:** EPH owns a controlling stake in Valjaonica Bakra Sevojno AD, Serbia’s biggest copper processor.
- **Cable Production:** EPH acquired a 93% stake in Novkabel AD, Serbia’s second largest cable producer in early 2009.
- **River Shipping:** In 2007, EPH acquired DDSG-Cargo (now renamed Erste Donau-Dampfschiffahrts-Gesellschaft m.b.H.), an Austrian river shipping company which dates back to 1829 with 265 vessels operating along the Danube.
- **Real Estate:** The Group owns a number of properties in various countries and plans to redevelop some of its operating industrial assets as residential and commercial projects.