

7 July 2014

**Reconstruction Capital II Limited
("RC2" or the "Company")**

Convertible Loan Update and Bridge Loan Extension

RC2 today announces that the terms of the proposed €9.0 million secured convertible loan (the "Convertible") are currently being finalised and, whilst subject to change, the Board currently expects the Convertible to have a three year term from the date of issue and a coupon rate of 10% simple interest per annum, with the right to convert into approximately 40% of the enlarged share capital of RC2. The issuance of the Convertible has however taken longer than anticipated and as a consequence, the four month €6.75 million bridge loan (the "Loan") from Ion Florescu (the "Lender"), which was announced on 1 April 2014, has been extended for a period of up to three months and will now mature on 31 October 2014. Whilst the Board considered it prudent to arrange this extension, the Loan can always be repaid early without any penalty and the rest of the terms of the Loan remain the same.

The Lender is a Director of the Company. The extension of the Loan therefore constitutes a Related Party transaction under AIM Rule 13. The Directors of RC2 (other than Ion Florescu) consider, after consultation with the Company's Nominated Adviser, that the terms of the Loan are fair and reasonable in so far as its shareholders are concerned.

The issuance of the Convertible will be subject to shareholder approval. The Company will make a further announcement regarding the issuance of the Convertible as soon as practicable.

For further information, please contact:

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