

Description

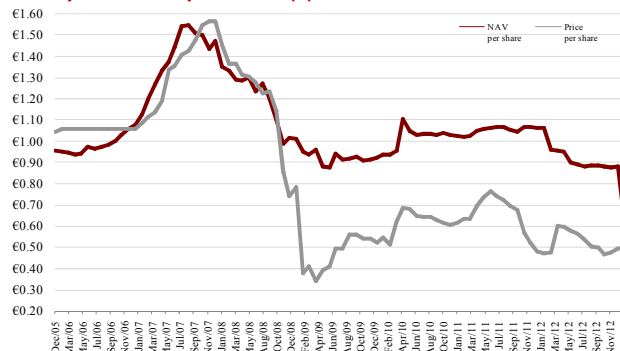
Reconstruction Capital II (“RC2” or the “Fund”) is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005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



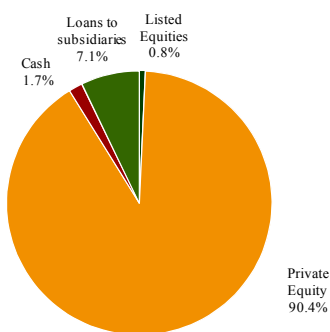
Statistics

	RC2 NAV returns	2009	2010	2011	2012	2013
NAV per share (€)		0.6010				
Share price (€)		0.4988				
Total NAV (€ m)		60.1				
Mk Cap (€ m)		49.9				
# of shares (m)		100.0				
NAV return since inception		-37.17%				
12-month NAV CAGR		-43.39%				
NAV annualized Return*		-6.35%				
NAV annualized Volatility*		17.50%				
Best month (NAV)		15.60%				
Worst month (NAV)		-31.58%				
# of months up (NAV)		45				
# of months down (NAV)		40				
* since inception		YTD	-8.38%	11.07%	3.32%	-17.17%
						-31.58%

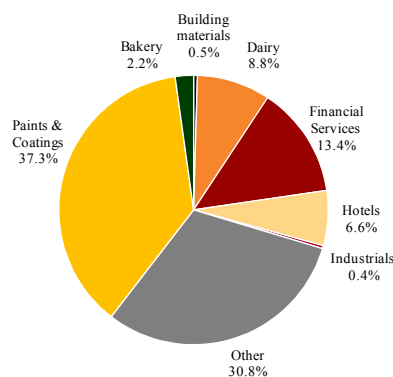
Share price / NAV per share (€)



Portfolio Structure by Asset Class

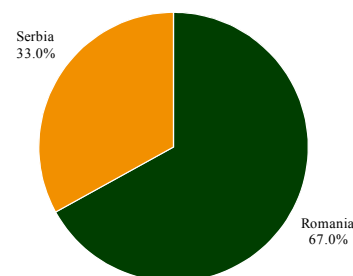


Equity Portfolio Structure by Sector



Note: EPH investment included under Other

Portfolio Structure by Geography



Note: EPH investment included under Serbia

Commentary

The Company's NAV has fallen by 31.6% since 31 December 2012. This reduction is the result of new yearly valuations of the Company's private equity positions conducted by independent third party valuers. These valuations are currently being reviewed, and may be revised by the Company's auditor. A table showing the old and new valuations of the Company's main private equity positions is shown to the right.

Private Equity investments in EUR '000	Dec-12	Jan-13
EPH	36,710	19,281
Policolor	26,757	23,360
Top Factoring Group	14,748	8,364
Mamaia	4,702	4,140
Klas	1,787	1,373
TOTAL	84,703	56,518



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