

10 March 2016

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

New Valuations of Private Equity Positions

As part of the annual audit process, RC2's auditors have requested from independent third party valuers new valuations of the Company's investments in Policolor S.A., Top Factoring Group, Mamaia Hotel Resorts Srl and Klas d.o.o as at 31st December 2015. A table showing the new and prior valuations of the main private equity positions is shown below:

	Prior valuations €	Revised valuations €
Policolor S.A.	20,560,000	19,920,000
Top Factoring Group	8,637,822	9,026,716
Mamaia Hotel Resorts SRL	2,821,898	3,194,735
Klas d.o.o	2,131,590	0
Total	34,151,310	32,141,451

RC2's shareholder loan to Klas has also been written down from €1.5m to €0.6m, in both cases including accrued interest. The write downs of both RC2's Klas equity and the shareholder loan outstanding reflect the poor performance and prospects for this business, details of which will be included in the December quarterly report.

Net Asset Value

The Company announces that at close of business on 31 December 2015 its unaudited net asset value ("NAV") per share on an undiluted basis was €0.3736 and its unaudited NAV per share on a fully diluted basis was €0.2847. The new NAV's reflect the changes to the valuations of the private equity positions outlined above.

Quarterly report

A quarterly report which details the activities of the Company for the quarter ended 31 December 2015 will be issued shortly by the Adviser of the Company.

Copies of the report will be emailed to shareholders and will also be available free of charge from the offices of New Europe Capital SRL, 21 Tudor Arghezi, Bucharest, Romania (tel: +40 21 3167680), for a period of 30 days from the date of this announcement.

The report will also be available on the Company's website: <http://www.reconstructioncapital2.com/>

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