

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

15 December 2010

Sale of Helogistics Holding GmbH ("Helogistics")

RC2 is pleased to announce that yesterday East Point Holdings Limited ("EPH") has entered into an agreement to sell 100% of the share capital of Helogistics Holdings GmbH ("Helogistics") the holding company for EPH's river shipping business, to Ferrexpo AG ("Ferrexpo") in return for Ferrexpo agreeing to acquire the existing bank debt of Helogistics from a syndicate of lenders, including €40m of bank debt guaranteed by EPH. As part of the transaction, EPH has agreed to pay a further €14.8m to the lenders of Helogistics, of which €8m on completion of the sale, and a further €6.8 over five years. The acquisition is subject to regulatory approval and is expected to be completed around the end of the calendar year.

In order to help EPH fund the transaction, RC2 has acquired a 5.5% shareholding in EPH's Agribusiness for €2.2m, which in turn has been financed by a €2.2m unsecured bridging loan to RC2 from an entity in which the directors of the Company have an interest, on the following terms: a 1% arrangement fee and an annual interest rate of 8% (the "Loan"). It is envisaged that the Loan will be refunded in early 2011.

The Loan constitutes a Related Party transaction under AIM Rule 13. The Company's Nominated Adviser considers the terms of the Loan to be fair and reasonable so far as the shareholders are concerned.

For further information, please contact:

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