

19 February 2014

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

Investment update

Due to a recent severe deterioration in the financial condition of East Point Holdings Limited ("EPH"), the Directors have decided to write down the Company's equity investment in EPH, as well as the Company's loan to its Copper processing subsidiary, to zero, compared to a total valuation of €6.7 million for both these positions in the November 2013 NAV calculation. The write down will be reflected in the Company's December 2013 NAV calculation and will have a material impact on the NAV of the Company which was reported as €39.28 million (€0.3928 NAV per share) as at 30 November 2013.

The Company's direct equity investment in, and shareholder loan to, Klas, EPH's bakery subsidiary, is being valued by an independent valuer, as in previous years, and will not be affected by the writedown of the Company's investment in EPH.

The other investments of the Company are also being valued by an independent valuer, and the new valuations will be included in the December 2013 NAV calculation which will be published shortly after the new valuations are finalized.

A detailed review of the operating performance and financial condition of EPH and Klas, as well as of the other investments of the Company, will be included in the December 2013 Quarterly Report.

For further information, please contact:

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