

13 March 2014

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

New Valuations of Private Equity Positions

As previously announced, 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. This is being reflected in the Company's December 2013 NAV calculation.

Furthermore, 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 2013. A table showing the new and prior valuations of the main private equity positions is shown below:

	Current valuations €	Revised valuations €
Policolor S.A.	19,360,000	19,760,000
Top Factoring Group	8,364,401	8,959,408
Mamaia Hotel Resorts Srl	2,780,000	2,819,929
Klas d.o.o	1,290,000	677,100
EPH	5,292,000	0
Total	37,086,401	32,216,437

Net Asset Value

The Company announces that at close of business on 31 December 2013 its unaudited net asset value ("NAV") per share was €0.3282, which reflects 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 2013 will be issued shortly by the investment manager and investment advisers 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 Limited, 33 Marloes Road, London W8 6LG, United Kingdom (tel: +44 (20) 7244 0088), 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/>

For further information, please contact:

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