

**Description**

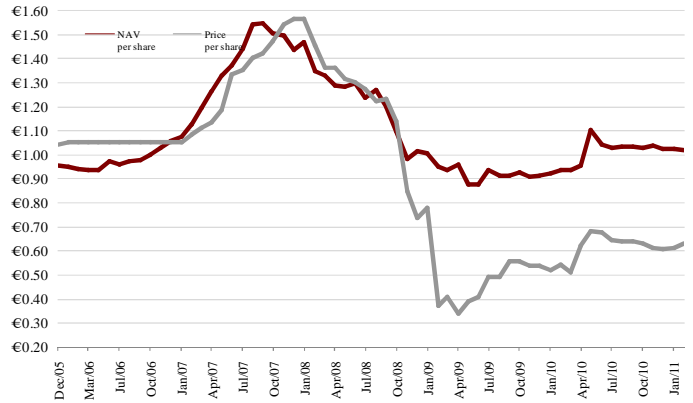
Reconstruction Capital II (“RC2” or the “Fund”) is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005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



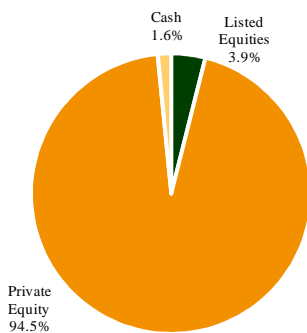
**Statistics**

		RC2 NAV returns				
		2007	2008	2009	2010	2011
NAV per share (€)	1.0209					
Share price (€)	0.6325	Jan 4.70%	-8.27%	-5.65%	1.36%	-0.54%
Total NAV (€ m)	102.1	Feb 6.17%	-1.48%	-1.51%	0.03%	-
Mk Cap (€ m)	63.3	Mar 5.90%	-3.03%	2.39%	2.07%	-
# of shares (m)	100.0	Apr 5.05%	-0.26%	-8.40%	15.60%	-
NAV return since inception	6.73%	May 3.08%	0.93%	-0.26%	-5.42%	-
12-month NAV CAGR	8.99%	Jun 5.19%	-4.75%	3.08%	-1.57%	-
NAV annualized Return*	1.29%	Jul 6.93%	2.85%	1.08%	0.53%	-
NAV annualized Volatility*	14.27%	Aug 0.22%	-5.55%	0.23%	0.07%	-
Best month (NAV)	15.60%	Sep -2.50%	-8.34%	1.20%	-0.62%	-
Worst month (NAV)	-10.52%	Oct -0.69%	-10.52%	-1.79%	0.96%	-
# of months up (NAV)	34	Nov -4.09%	3.03%	0.46%	-1.15%	-
# of months down (NAV)	27	Dec 2.46%	-0.60%	1.08%	-0.06%	-
* since inception		YTD 36.74%	-31.43%	-8.38%	11.07%	-0.54%

**Share price / NAV per share (€)**

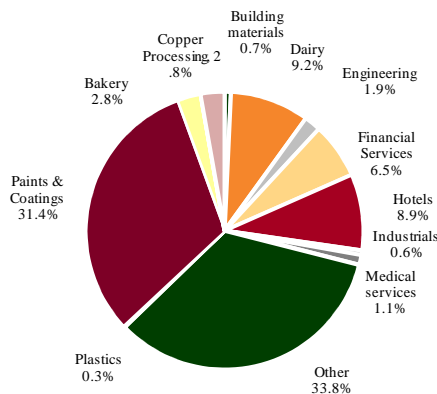


**Portfolio Structure by Asset Class**



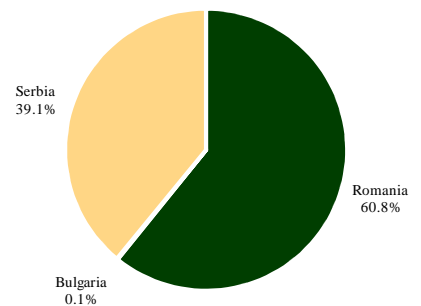
Note: Cash equivalents included under Cash

**Equity Portfolio Structure by Sector**



Note: EPH investment included under Other

**Portfolio Structure by Geography**



Note: EPH investment included under Serbia

**Investment update**

- In January, EPH successfully completed the sale of its River Shipping and Agribusiness divisions. Separate announcements on these transactions were released on 15 December 2010 and 18 January 2011.
- The December 2010 Quarterly Report, which will include a review of the investee companies’ financial results and operations over 2010, will be released shortly.



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