**Reconstruction Capital II Limited (the “Company”)**

**Acquisition of interest in Albalact SA**

Reconstruction Capital II Ltd (“RC2”, the “Company”), a closed-end investment company incorporated in the Cayman Islands admitted to trading on the AIM market of the London Stock Exchange, today announces the fulfilment of the conditions precedent to the acquisition by Lactalis of the 25.4% of shares held by the Company in Albalact SA, a publically quoted Romanian dairy company (the “Transaction”).

Lactalis is a dairy manufacturing world-leader company owning many successful international brands such as “president”, “Parmalat”, and “Galbani”. The Lactalis group now employs 75,000 people, and owns more than 200 plants, located in 43 countries around the world. In 2015 the Lactalis Group made a turnover of EUR 17 billion.

The Transaction was announced on 28 January 2016 and following the fulfilment of a series of conditions precedent, including a favourable clearance by the Romanian Competition Council on 27 June 2016, Lactalis is now obliged to launch a voluntary takeover bid for the whole of the share capital of Albalact bearing voting rights (the “Offer”). Lactalis will undertake to submit the voluntary takeover bid documentation with the Romanian Financial Supervisory Authority (“FSA”) and will publish the price of the takeover bid once the FSA has approved the preliminary announcement.

Based on the closing price of Albalact shares on 7 July 2016 of RON 0.46 per share, RC2’s holding in Albalact is valued at RON 76.41 million, or EUR 16.91 million based on an exchange rate of 4.5188 RON to 1 EUR.

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