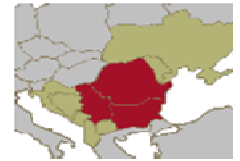


**Description**

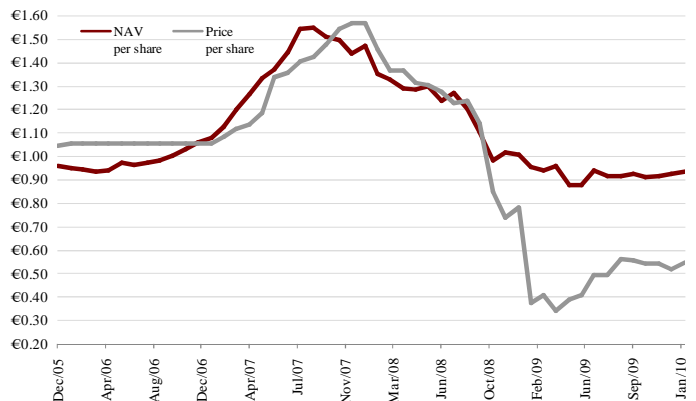
Reconstruction Capital II ("RC2" or the "Fund") is a closed-ended, absolute return driven investment fund, incorporated in the Cayman Islands. The fund invests in Private Equity & Listed Securities in South-East Europe. RC2 was admitted to the AIM market of the London Stock Exchange in December 2005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

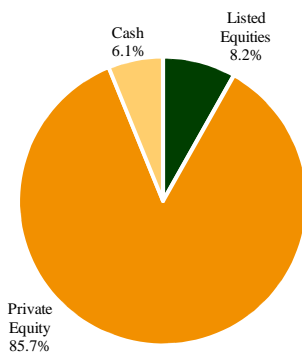
NAV per share (€)	0.9367	<b>RC2 NAV returns</b>				
Share price (€)	0.5450	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Total NAV (€ m)	93.7	Jan -0.61%	4.70%	-8.27%	-5.65%	1.36%
Mk Cap (€ m)	54.5	Feb -0.73%	6.17%	-1.48%	-1.51%	-
# of shares (m)	100.0	Mar -0.87%	5.90%	-3.03%	2.39%	-
Return since inception	-2.07%	Apr 0.44%	5.05%	-0.26%	-8.40%	-
12-month CAGR	-1.57%	May 3.73%	3.08%	0.93%	-0.26%	-
Annualized Return*	-0.51%	Jun -1.25%	5.19%	-4.75%	3.08%	-
Annualized Volatility*	13.58%	Jul 1.23%	6.93%	2.85%	1.08%	-
Best month	6.93%	Aug 0.61%	0.22%	-5.55%	0.23%	-
Worst month	-10.52%	Sep 2.18%	-2.50%	-8.34%	1.20%	-
# of months up	28	Oct 2.74%	-0.69%	-10.52%	-1.79%	-
# of months down	21	Nov 2.80%	-4.09%	3.03%	0.46%	-
		Dec 1.70%	2.46%	-0.60%	1.08%	-
		YTD 12.47%	36.74%	-31.43%	-8.38%	1.36%

**Share price / NAV per share (€)**



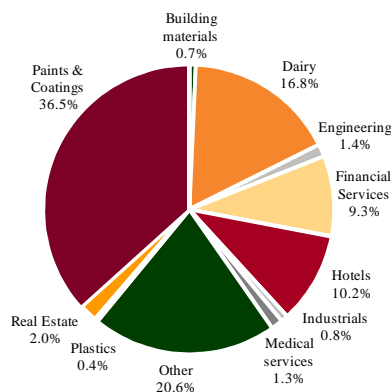
\* since inception

**Portfolio Structure by Asset Class**



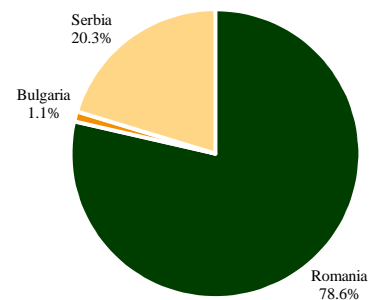
Note: Cash equivalents included under Cash

**Equity Portfolio Structure by Sector**



Note: EPH investment included under Other

**Portfolio Structure by Geography**



Note: EPH investment included under Serbia

**Commentary**

Please refer to the Quarterly Report for the period ended 31 December 2009 for market commentary and updates in respect of investee companies.



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