**5 September 2016**

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

**Exercise of Convertible Loan Notes and Issue of Equity**

The Company announces that on 2 September 2016 it has received applications from Mr Ion Florescu, a director of the investment adviser, for the conversion of EUR 398,000 convertible loan notes, each of which confers the right to receive 7.41 ordinary shares of EUR 0.01 each in the capital of the Company (“Ordinary Shares”) for every EUR 1.0 face value of the convertible loan note.

Accordingly, the Company announces that it will be issuing and allotting 2,949,180 Ordinary Shares, subject to admission to trading on AIM. It is expected that dealings in the new Ordinary Shares will commence at 8.00am on 19 September 2016.

Following this transaction, Mr Ion Florescu is the beneficial owner either directly or indirectly in 45,734,391 Ordinary Shares, representing 46.49 per cent of the total issued share capital of the Company with voting rights.

**Total Voting Rights**

Following the completion of the above transaction the Company will have 98,366,947 Ordinary Shares in issue with voting rights. This number represents the total voting rights in the Company and may be used by shareholders as the denominator for the calculation by which they can determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority’s Disclosure and Transparency Rules.

The information contained within this RNS is considered to be inside information prior to its release as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company’s obligations under Article 17 of those Regulations.

For further information, please contact:

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