17 October 2016

**Reconstruction Capital II Limited**

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

Reconstruction Capital II Limited ("the Company") announces that on 13 October 2016, it had received applications from holders of EUR 353,000 of 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) including, from Mr Markus Winkler, Director of the Company, a total of EUR 110,000 of convertible loan notes.

Accordingly, the Company announces that it will be issuing and allotting 2,615,730 Ordinary Shares, subject to admission to trading. Application will be made for the new Ordinary Shares to be admitted to trading on AIM. It is expected that dealings in the new Ordinary Shares will commence at 8.00 a.m. on 19 October 2016 (“Admission”).

Following Admission, the Company announces that all holders of convertible loan notes have exercised their right to convert the loan notes to equity and therefore that there are no further convertible loan notes in issue.

**Total Voting Rights**

Following Admission the Company will have 147,622,267 Ordinary Shares in issue with voting rights. This figure of 147,622,267 represents the total voting rights in the Company and may be used by shareholders as the denominator for the calculations 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 announcement 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:

Reconstruction Capital II Limited

Ion Florescu/Anca Moraru

Tel: +40 21 3167680

Grant Thornton UK LLP (Nominated Adviser)

Philip Secrett/Carolyn Sansom

Tel: +44 (0) 20 7383 5100

Panmure Gordon (UK) Limited (Broker)

Paul Fincham/Jonathan Becher

Tel: +44 (0) 20 7886 2500