26 August 2016

**Reconstruction Capital II Limited**

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

Reconstruction Capital II Limited ("the Company") announces that on 25 August 2016, it has received applications from Mr Ion Florescu, a director of the investment adviser, for the conversion of EUR 1,000,000 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 7,410,000 Ordinary Shares, subject to admission to trading. Application has been 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 13 September 2016.

Following this transaction, Mr Ion Florescu is the beneficial owner either directly or indirectly in 42,785,211 Ordinary Shares, representing 44.84 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 95,417,767 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 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 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:

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