

POHUTUKAWA

POHUTUKAWA PRIVATE EQUITY LIMITED

ANNUAL SHAREHOLDERS MEETING

17 MAY 2011

LADIES AND GENTLEMEN

THANK YOU FOR YOUR ATTENDANCE TODAY

WELCOME TO THE ANNUAL SHAREHOLDER MEETINGS OF

POHUTUKAWA PRIVATE EQUITY

AND

POHUTUKAWA PRIVATE EQUITY II

SIMILAR TO LAST YEAR, AS THERE IS SIGNIFICANT CROSSOVER IN SHAREHOLDING BETWEEN THE TWO COMPANIES IT IS MORE EFFICIENT TO INVITE SHAREHOLDERS OF BOTH COMPANIES TO BE PRESENT.

I AM JOHN MCDONALD, CHAIRMAN OF BOTH COMPANIES.

MY FELLOW DIRECTORS ARE

NEIL CRAIG, FRANK ALDRIDGE AND MAURICE PRENDERGAST, WHO UNFORTUNATELY CANNOT BE WITH US TODAY.

ALSO PRESENT IS OUR COMPANY SECRETARY PETER LALOR AND OTHER MEMBERS OF THE CRAIGS TEAM WHO ARE INVOLVED WITH THE ADMINISTRATION OF OUR COMPANIES.

THE MANAGING DIRECTOR OF OUR INVESTMENT MANAGER DIRECT CAPITAL IS ROSS GEORGE. ROSS WILL INTRODUCE HIS TEAM FROM DIRECT CAPITAL WHEN HE ADDRESSES THE MEETINGS ON THE PERFORMANCE OF OUR PORTFOLIO COMPANIES.

ALSO WE HAVE FROM KPMG OUR AUDITORS GLENN KEANEY AND FROM CHAPMAN TRIPP OUR LAWYERS JOHN STROWGER AND TIM TUBMAN.

I NOW MOVE TO THE SHAREHOLDERS MEETING FOR POHUTUKAWA PRIVATE EQUITY LIMITED

WE HAVE A QUORUM –ANY APOLOGIES TO BE RECORDED.

OBTAINING ONLY SHAREHOLDERS OF THIS COMPANY MAY VOTE ON THE RESOLUTIONS OR ASK QUESTIONS.

2010 WAS A YEAR OF CONSOLIDATION FOR OUR INVESTMENT PORTFOLIO, WITH ONLY TWO CHANGES OF NOTE. THE SUCCESSFUL REALISATION OF OUR INVESTMENT IN TRITON HEARING CLINICS AND A FOLLOW ON INVESTMENT IN GOBUS.

OUR PORTFOLIO COMPANIES HAVE IN GENERAL PERFORMED WELL THROUGH ANOTHER YEAR OF CHALLENGING TRADING CONDITIONS. ALL ARE WELL PLACED, BOTH FINANCIALLY AND STRATEGICALLY, TO TAKE ADVANTAGE OF FUTURE GROWTH.

ROSS GEORGE WILL COVER THEIR INDIVIDUAL PERFORMANCES IN HIS ADDRESS.

FROM YOUR ONE-DOLLAR PER SHARE ORIGINALLY INVESTED WE HAVE NOW RETURNED BY WAY OF DISPOSALS AND DIVIDENDS, INCLUDING THE 2.2 CENTS PAID IN MARCH, AFTER THE END OF THE FINANCIAL YEAR, A TOTAL OF 69.2 CENTS PER SHARE

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INCLUDING A CASH BALANCE OF SOME \$3MILLION WE HAVE ASSETS VALUED AT AROUND 85 CENTS PER SHARE.

A RETURN MULTIPLE (DISTRIBUTIONS PLUS ASSETS) OF 1.5 TIMES YOUR ORIGINAL INVESTMENT

AS YOU KNOW WE ARE, APART FROM OUR CASH HOLDING, FULLY INVESTED. FUTURE INVESTMENTS WILL BE BY WAY OF FOLLOW-ON INVESTMENTS IN EXISTING COMPANIES

AS I MENTIONED LAST YEAR IF THERE IS AN OPPORTUNITY TO MAKE FOLLOW-ON INVESTMENTS BEYOND OUR EXISTING CASH RESOURCES, AND CASH ARISING FROM DIVESTMENTS, AND IF WE BELIEVE IT IN THE INTERESTS OF OUR SHAREHOLDERS TO MAKE SUCH AN INVESTMENT WE WILL CALL A MEETING OF SHAREHOLDERS TO DECIDE IF WE SHOULD BORROW FUNDS FOR SUCH AN INVESTMENT.

OUR FOCUS THIS YEAR WILL BE ON ACHIEVING VALUE CREATING LIQUIDITY EVENTS. THERE IS A GOOD EXPECTATION THAT WE WILL HAVE OUR FIRST EXIT VIA A STOCK EXCHANGE LISTING AND POHUTUKAWA SHAREHOLDERS CAN BE ASSURED YOUR BOARD WILL BE SEEKING TO ACHIEVE A VALUE TRANSFER THROUGH OUR SHAREHOLDERS PARTICIPATING IN SUCH A LISTING

TURNING NOW TO THE FINANCIAL ACCOUNTS FOR THE YEAR.

YOU WILL NOTE THAT WE MADE A PROFIT FOR THE YEAR OF \$1.388 MILLION. THIS PROFIT IS THE NET RESULT OF –

- INCOME FROM OUR INVESTMENTS
- CHANGES IN THE VALUE OF OUR INVESTMENTS (INCLUDING DISPOSALS)
- LESS THE COSTS OF ADMINISTRATION

OVERALL THE VALUE OF OUR INVESTMENTS DID NOT INCREASE MUCH DURING THIS YEAR-THE RESULT OF THE DIFFICULT TRADING CONDITIONS.

ANY QUESTIONS ON THE FINANCIAL ACCOUNTS? I PREFER YOU TO HOLD QUESTIONS ON THE PERFORMANCE OF INDIVIDUAL COMPANIES UNTIL ROSS GEORGE'S ADDRESS.

IF NO FURTHER QUESTIONS I NOW MOVE TO THE TWO FORMAL RESOLUTIONS---PROXY VOTE NUMBERS

THE FIRST RESOLUTION, DETAILED IN THE NOTICE OF MEETING IS THAT RELATING TO THE APPOINTMENT OF AUDITORS. READ RESOLUTION----ASK FOR DISCUSSION ---VOTE BY SHOW OF HANDS ---RESOLUTION PASSED ---THANKYOU.

THE SECOND RESOLUTION, ALSO DETAILED IN THE NOTICE OF MEETING, RELATES TO A NEED, FOR EFFICIENT ADMINISTRATION, TO AMEND THE WAY THE VARIOUS INVESTMENT COMPANIES ARE STRUCTURED. THE RESOLUTION IS OF A TECHNICAL NATURE AND YOU CAN BE ASSURED IT DOES NOT CHANGE THE FUNDAMENTALS OF YOUR COMPANY OR THE VALUE.

WE HAVE IN ATTENDANCE JOHN STROWGER AND TIM TUBMAN OUR LAWYERS WHO ARE ABLE TO GIVE FURTHER DETAIL ON THIS RESOLUTION IF YOU WISH.

RESOLUTION READ – QUESTIONS - CALL FOR A SHOW OF HANDS –RESOLUTION PASSED
THANK YOU.

IS THERE ANY GENERAL BUSINESS-----IF NOT PLEASE STAY WHILE WE COVER THE FORMALITIES FOR POHUTUKAWA PRIVATE EQUITY II FOLLOWING, WHICH WE WILL HEAR FROM OUR INVESTMENT MANAGER.