

POHUTUKAWA PRIVATE EQUITY II LIMITED

CHAIRMAN'S ADDRESS TO THE ASM 16 MAY 2013

WE NOW MOVE TO THE ANNUAL SHAREHOLDERS MEETING OF POHUTUKAWA PRIVATE EQUITY II LIMITED

AS WITH OUR FIRST MEETING ONLY SHAREHOLDERS OF THIS COMPANY ARE ABLE TO ASK QUESTIONS OR VOTE ON THE RESOLUTION

I WELCOME ALL PPE SHAREHOLDERS TO STAY FOR THIS MEETING AND FOR THE ADDRESS, TO FOLLOW, BY OUR INVESTMENT MANAGER, ON THE PORTFOLIO PERFORMANCE OF BOTH COMPANIES.

WE HAVE A QUORUM –ANY APOLOGIES TO BE RECORDED.

THIS IS OUR FOURTH SHAREHOLDER MEETING FOLLOWING THE RAISING OF \$82.5 MILLION IN 2009.

WE MADE NO NEW PORTFOLIO COMPANY INVESTMENTS THIS YEAR.

HOWEVER WE DID MAKE SUBSTANTIAL FOLLOW-ON INVESTMENTS IN SCALES, PF OLSEN AND HI-WAY GROUP. DETAILS ON THE INDIVIDUAL INVESTMENTS ARE SHOWN IN THE ANNUAL REPORT.

WE HAVE INVESTED IN 6 COMPANIES FROM A DIVERSE RANGE OF ECONOMIC SECTORS.

ALL COMPANIES CONTRIBUTED POSITIVELY TO THE PLEASING STRONG PERFORMANCE FOR THE YEAR DESPITE THESE CHALLENGING ECONOMIC TIMES.

BILL KERMODE WILL COVER THE DETAIL ON EACH COMPANY IN THE MANAGER'S ADDRESS.

TO DATE YOU HAVE PAID 47CENTS PER SHARE OF YOUR COMMITTED \$1 DOLLAR PER SHARE.THERE IS NO IMMEDIATE NEED FOR A FURTHER CALL,WHICH WOULD ,OF COURSE FOLLOW A FURTHER INVESTMENT.

WE WILL GIVE YOU 30 DAYS NOTICE OF A CALL.

OUR PORTFOLIO AT THE END OF THE YEAR WAS VALUED AT \$37.2 MILLION (INCLUDING \$3.5 MILLION OF CASH) OR NET ASSETS OF 45 CENTS PER SHARE. THE RESULTS FOR THE FIRST QUARTER OF THIS YEAR SHOW THIS VALUE IS NOW SOME 2 CENTS HIGHER.

A DIVIDEND OF 2.6 CENTS PER SHARE WAS PAID LAST YEAR AND WE ADVISE TODAY, THAT A FURTHER 2.16 CENTS WILL BE PAID BY THE END OF MAY.

TURNING NOW TO THE FINANCIAL ACCOUNTS FOR THE PAST YEAR.

THE \$5.8 MILLION PROFIT WAS A PLEASING RESULT WITH ALL COMPANIES CONTRIBUTING.

THE ACCOUNTS ARE REASONABLY STRAIGHTFORWARD. I AM HAPPY TO TAKE ANY QUESTIONS ON THE FINANCIALS.

IF THERE A NO FURTHER QUESTIONS WE WILL MOVE TO THE FORMAL RESOLUTION.

PROXY NUMBERS -1,929,000 FOR RESOLUTION

THE RESOLUTION,DETAILED IN THE NOTICE OF MEETING IS THAT RELATING TO THE APPOINTMENT OF AUDITORS-

CALL FOR DISCUSSION ON RESOLUTION. CALL FOR A SHOW OF HANDS. RESOLUTION PASSED ---THANKYOU.

IS THERE ANY GENERAL BUSINESS?

I WOULD NOW LIKE TO HAND THE MEETING OVER TO OUR INVESTMENT MANAGEMENT TEAM BEING REPRESENTED BY BILL KERMODE.

BEFORE I DO, I WOULD LIKE TO PAY TRIBUTE TO MY FELLOW DIRECTORS, MAURICE, NEIL AND FRANK. WE MEET AT LEAST 6 TIMES A YEAR TO OVERVIEW THE GOVERNANCE INCLUDING REVIEW OF PERFORMANCES, FINANCES ETC. OUR DISCUSSION WITH THE ADMINISTRATION AND INVESTMENT MANAGEMENT TEAMS ARE FRANK , ROBUST AND COOPERATIVE.

ALSO THANKS TO THE INVESTMENT COMMITTEE MADE UP OF DIRECT CAPITAL TEAM PLUS NEIL AND MAURICE AS DIRECTORS OF POHUTUKAWA PLUS ALSO REPRESENTING POHUTUKAWA BILL CUMMINGHAME AND JAMES BEALE.

FOLLOWING A DETAILED PRIOR REVIEW OF PROSPECTIVE INVESTMENTS, BY DIRECT CAPITAL, THESE EXPERIENCED PEOPLE MEET AT LEAST MONTHLY AND DO A LOT OF WORK ON YOUR BEHALF TO ANALYSE AND REVIEW WHICH INVESTMENTS POHUTUKAWA SHOULD MAKE. MANY ARE REVIEWED; ONLY A FEW MEET OUR CRITERIA TO GO.

BILL WILL ADDRESS YOU ON THE PERFORMANCE OF THE PORTFOLIO COMPANIES OF POHUTUKAWA I AND THE LIKELIHOOD AND TIMING FOR LIQUIDITY EVENTS AND SIMILARLY FOR THE COMPANIES OF POHUTUKAWA II PLUS THE PROSPECTS FOR FUTURE INVESTMENTS. BILL AND THE DIRECT CAPITAL TEAM WILL BE HAPPY TO ANSWER YOU QUESTIONS.

BILL, PLEASED IF YOU WOULD INTRODUCE YOUR TEAM

THANKYOU