

CHAIRMAN'S ADDRESS

POHUTUKAWA PRIVATE EQUITY II LIMITED ASM 13 MAY 2014

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 Pohutukawa shareholders to stay for this meeting and for the following address, from our Investment Manager, on the portfolio performance of both companies.

We have a quorum –any apologies to be recorded

This is our fifth shareholder meeting following the raising of \$82.5 million in 2009.

The 2013 year has been pleasing in all respects with all our portfolio companies contributing to the excellent results.

While, in this past year, we made no new portfolio company investments, we have made a number of follow-on growth investments into our existing companies.

Ross, will cover these in his address.

You will see from this address that we now have a great portfolio of 7 diverse companies each with a very exciting future ahead.

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Following payment this of a 10cent call in April you have paid 57cents per share of your committed \$1 dollar per share.

This call provided funds for our new investment in Energyworks and a major add on to Transaction Services.

In November last year we advised you that the directors had decided to extend the final call date ,for the balance of the uncalled capital, ,from March this year to 'at least December'. I am sure you will all agree that this decision made sense and provides a more efficient utilisation of your capital. We have no new advice on this matter other than we will keep you informed of the final call. Between now and the final call date interim calls may be made to fund new or follow on investments.

We will, of course, give you at least 30-days notice of a call

Our portfolio at the end of the year was valued at \$38.2 million or net assets of 46 cents per share. Following the recent call and the 1st quarter results the NTA is around 56 cents per share.

Distributions of 2.2 cents, and 3.9 cents per share were paid last year and we are pleased to advise, today, that a further 3.0 cents will be paid to you by the end of May.

Following this dividend you will have received back in cash 13.7 cents or 24% of your paid in capital.

Turning now to the financial accounts for the past year.

The \$5.8 million profit was a pleasing result with all companies contributing.



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The accounts are reasonably straightforward. I am happy to take any questions on the financials.

If there are no further questions

We will move to the formal resolution.

Proxy vote ---numbers – 2.7m in favour - all

The resolution, detailed in the notice of meeting is that relating to the appointment of auditors-

Read resolution - discussion.

Vote by show of hands.

Resolution passed.

Thank you

Is there any general business?

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I would now like to hand the meeting over to our Investment Manager team represented by Ross George

Before I do, I would like to sincerely thank my fellow directors , Maurice, Neil and Mike.

The board oversees strategies and investments, not only in our board meetings but also through regular reports and frequent exchanges between the board and our Investment Managers. Directors also, from time to time, visit portfolio companies to view operations and hear and discuss strategic initiatives and developments from senior management.

And

.also thanks to the investment committee made up of Direct Capital team plus Neil , Mike and Maurice as directors of Pohutukawa plus also representing Pohutukawa, James Beale.

Thank you all for your support, hard work and dedication to the growth of our two Pohutukawa companies.

We have a range of potential high returning projects within many of our existing portfolio companies.

We indeed have an exciting future ahead.

Ross will now 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.

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Following which Ross and the Direct Capital team will welcome your questions .

Ross, I would appreciate if you would introduce the Direct Capital team

Thank you