

23 May 2014

Dear Shareholder

Pohutukawa II Distribution 23 May 2014

At our Annual Shareholders Meeting on 13 May 2014 I was pleased to advise that the Board had approved a further distribution of 3.7 cents per share (cps) gross - a cash payment of 3.0 cps, prior to resident withholding tax deductions.

Since the last distribution made in November 2013, we have received further imputed portfolio company dividends totaling \$1,050,478 and we are expecting a Scales Corporation dividend of \$954,526 to be paid soon. Scales is also making a capital return of \$1,030,888 on 20 May 2014 following the successful demerger of the investment assets from the operating companies within Scales.

The net cash distribution of 3.0 cents per Pohutukawa II share will be paid to your nominated bank account on 23 May 2014, providing the Registry has your bank account details. Resident withholding tax/non-resident withholding tax will be deducted from the dividend component of the distribution according to your prescribed tax rate.

The following table provides a breakdown of the distribution:

Portfolio Co.	Source of Distribution	Gross Distribution	Net Cents Per Share
			<i>Before RWT/NRWT</i>
PF Olsen Group Ltd	Dividend*	\$ 477,213	
PF Olsen Group Ltd	Dividend*	\$ 265,118	
Bayley Corporation Ltd	Dividend*	\$ 102,716	
Bayley Corporation Ltd	Dividend*	\$ 205,432	
Scales Corporation Ltd	Dividend*	\$ 954,526	
Scales Corporation Ltd	Capital	\$ 1,030,888	
Total		\$ 3,035,893	\$ 0.029994
* Imputation credits @ 28%			

Details of the distribution including tax information are contained in the distribution advice issued by the Registry.

Thank you for your continuing support, and do not hesitate to get in touch with Peter Lalor at Pohutukawa II Management Limited on 07-577 4727 if you have any questions on this distribution.

Yours faithfully

POHUTUKAWA PRIVATE EQUITY II LIMITED



JOHN MCDONALD
Chairman