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POHUTUKAWA PRIVATE EQUITY II LIMITED

ANNUAL SHAREHOLDERS MEETING

17 MAY 2011

I 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 RESOLUTIONS.

I WELCOME ALL POHUTUKAWA I 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 SECOND SHAREHOLDER MEETING FOLLOWING THE RAISING OF $82.5 MILLION IN 2009.

AFTER A FIRST YEAR REVIEWING MANY INVESTMENT OPPORTUNITIES BUT MAKING NO INVESTMENTS THIS YEAR WE HAVE MADE 3 INVESTMENTS IN QUITE DIVERSIFIED FIELDS-TRANSACTION SERVICES –PAYMENT PROCESSING ---BAYLEYS –REAL ESTATE, AND CAVALIER WOOL –WOOL SCOURING.

WE ARE PLEASED WITH THE PERFORMANCE OF OUR COMPANIES TO DATE – DESPITE THE CHALLENGING ECONOMIC TIMES.

ROSS WILL COVER THE DETAIL IN HIS ADDRESS

WE HAVE RECENTLY ANNOUNCED ANOTHER INVESTMENT WHICH SHOULD BE COMPLETED BY THE END OF JUNE, THAT OF SCALES WHICH IS IN A DIVERSE RANGE OF PRIMARY BUSINESSES INCLUDING –APPLE GROWING AND MARKETING, COOL STORAGE PLUS AGENCIES.

TO DATE YOU HAVE PAID 20CENTS OF YOUR COMMITTED $1 DOLLAR PER SHARE AND WE EXPECT TO MAKE A CALL OF BETWEEN 10 AND 20 CENTS FOR PAYMENT IN JULY. THE AMOUNT WILL DEPEND UPON WHETHER ANOTHER INVESTMENT, WHICH IS CURRENTLY UNDER NEGOTIATION, IS COMPLETED

WE WILL, OF COURSE GIVE YOU 30 DAYS NOTICE OF SUCH CALL.

TURNING NOW TO THE FINANCIAL ACCOUNTS FOR THE PAST YEAR.

AS IS TO BE EXPECTED IN OUR INITIAL YEARS OF INVESTING OUR EXPENSES EXCEEDED OUR INCOME PLUS THE REVALUATION OF OUR INVESTMENTS TO DATE RESULTING IN A LOSS FOR THE YEAR OF JUST OVER $1 MILLION.

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

WE NOW MOVE TO THE 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, IS SEEKING APPROVAL TO ADMENDMENTS TO THE WAY THE COMPANY IS STRUCTURED. IT IS OF A TECHNICAL NATURE AND NEEDED FOR EFFICIENT ADMINISTRATION. YOU CAN BE ASSURED IT DOES NOT CHANGE THE FUNDAMENTALS OF THE COMPANY OR THE VALUE.

READ RESOLUTION-ANY DISCUSSION –NOTING THE AVALIABILITY OF LAWYERS TO GIVE FURTHER DETAIL –VOTING BY 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 HEADED BY ROSS GEORGE.

BEFORE I DO I WOULD LIKE TO PAY TRIBUTE TO THE INVESTMENT COMMITTEE MADE UP OF MEMBERS OF THE DIRECT CAPITAL TEAM PLUS NEIL AND MAURICE AS DIRECTORS OF POHUTUKAWA PLUS ALSO REPRESENTING POHUTUKAWA BILL CUNNINGHAME AND JAMES BEALE.

THIS TEAM OF EXPERIENCED PEOPLE DO A LOT OF WORK ON YOUR BEHALF TO ANAYLSE AND REVIEW WHETHER POHUTUKAWA SHOULD INVEST IN VARIOUS COMPANIES THAT HAVE HAD A PRIOR DETAILED REVIEW BY DIRECT CAPITAL. MANY ARE REVIEWED ONLY A FEW GET TO GO.

ROSS WILL ADDRESS YOU ON –THE PERFORMANCE OF THE PORTFOLIO COMPANIES OF POHUTUKAWA 1 AND THE LIKELIHOOD AND TIMING FOR EXITS, AND SIMILARLY FOR THE COMPANIES OF POHUTUKAWA 2 PLUS THE PROSPECTS FOR FUTURE INVESTMENTS.

ROSS, PLEASED IF YOU WOULD INTRODUCE YOUR TEAM.