

28 November 2013

Dear Shareholder

Pohutukawa II – Shareholder letter

Distribution-28 November 2013

We are pleased to advise that the Board has recently approved a further distribution for the year, of 4.10 cents per share (cps) gross - a cash payment of 3.92 cps prior to resident withholding tax.

Since the last distribution to you in May 2013, we have received further imputed portfolio company dividends totaling \$394,513; capital returns of \$1.48m from Transaction Services, following a share buyback; and \$1.35m from Hiway Group, resulting from the repayment of convertible notes.

The net cash distribution of 3.92 cents per Pohutukawa II share will be paid to your nominated bank account on 28 November 2013. The gross distribution equates to 4.10 cents per share with imputation credits attached to the dividend component of the distribution at 28%. Resident withholding tax/non-resident withholding tax will be deducted from the 3.92 cents at your prescribed rate according to the Registry's records. Details of the distribution are contained in the distribution advice issued by the Registry.

Extension of Final Call

Your Pohutukawa II shares are currently paid to 47 cents of the initial \$1 per share issue price, leaving 53 cents to pay. The Prospectus states that any residual balance up to the issue price is payable in full on the fifth anniversary of allotment, which is 3 March 2014. This means that unless directors decide otherwise, a call of 53 cents per share will be payable, by shareholders, on that date.

The Pohutukawa II Constitution, however, provides directors discretion over timing and quantum of the calls made on shareholders. To provide for more efficient use of shareholder funds, the Board has decided to extend the final call payment to more closely align with the final call provisions for the institutions who invest alongside Pohutukawa II in the \$325m Direct Capital IV Fund. The most likely final call date is December 2014.

We will keep you advised on developments and should be in a position to clarify the call programme for Pohutukawa II at our Annual Meeting in May 2014.

Between now and the final call being made, interim calls may be made (with 30 days notice to you) to fund further acquisitions.

Shareholders will be aware, from the recent interim report that our existing portfolio of companies are performing well. Our Investment Managers, Direct Capital, have a number of new acquisitions under due diligence.

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 change.

Yours faithfully

POHUTUKAWA PRIVATE EQUITY II LIMITED

A handwritten signature in blue ink, appearing to read "John McDonald", with a horizontal flourish underneath.

JOHN MCDONALD
Chairman