

29 May 2013

Dear Shareholder

Pohutukawa II Distribution 29 May 2013

At our recent Annual Shareholders Meeting on 16 May 2013 we outlined the pleasing performances of the Pohutukawa II portfolio companies. All portfolio companies have been value accretive for the Fund over the past financial year to 31 December 2012 and in the latest quarter to 31 March 2013.

The Chairman’s address and Manager’s presentation to shareholders at the Annual Shareholders Meeting can be viewed on the Pohutukawa website www.pohutukawafund.co.nz under the *Pohutukawa II Investor Information* tab.

Cash flows from the portfolio companies have been strong and we are in a position to make a further distribution. We are pleased to advise that a net cash distribution of 2.16 cents per Pohutukawa II share will be paid to your nominated bank account on 29 May 2013. The gross distribution equates to 2.93 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 at your prescribed rate according to the Registry’s records.

The following table provides a breakdown of the distribution:

Portfolio company	Source	Total Distributed	Cents per share
			<i>Before RWT/NRWT</i>
Cavalier Wool Holdings Limited	Dividend*	\$ 357,467.62	\$ 0.004333
Bayley Corporation Limited	Dividend*	\$ 81,025.63	\$ 0.000982
PF Olsen Group Limited	Dividend*	\$ 201,001.39	\$ 0.002436
Transaction Services Limited	Dividend*	\$ 235,452.00	\$ 0.002854
Scales Corporation Limited	Dividend*	\$ 763,621.00	\$ 0.009256
Hiway Group Limited	Capital	\$ 142,987.00	\$ 0.001733
		\$ 1,781,554.64	\$ 0.021595
* Imputation credits @ 28%			

A distribution advice detailing your distribution payment will be issued by the Registry.

Yours faithfully

POHUTUKAWA PRIVATE EQUITY II LIMITED



JOHN MCDONALD
Chairman