



Pinar Entegre Et Ve Un Sanayii A.Ş.

Date: March 3, 2017

Subject: Board of Directors Decision for Dividend Distribution

At the meeting of the Company's Board of Directors dated March 3, 2017, the Company's Board of Directors concluded to submit the following Profit Distribution Proposal for approval at the Annual General Assembly meeting.

In calculating the net distributable profit for 2016; taking into account the requirements of the Turkish Commercial Code, Capital Markets Legislation, Corporate Income Tax Law, Income Tax Law and other applicable legislation, dividend distribution provisions of the Company's articles of incorporation and the Profit Distribution Policy; as per the Company financial tables created in accordance with the Capital Markets Board Communiqué II-14.1 and Turkish Accounting Standards and audited by the independent auditor; among TL 59,689,181 which is the net term profit of 2016, the legal limit has been reached and therefore no General Legal Reserve will be set aside and the net distributable term profit is TL 59,689,181.

The following proposal concerning the allocation of the TL 59,689,181 distributable profit, is concluded to be submitted to the approval of the Ordinary General Assembly:

TL 12,098,489 will be distributed to shareholders as first dividend. This corresponds to 20% of distributable profit when TL 803.265 that was paid out as charitable donations during the year in line with the CMB rules is taken into account, of the remainder, Board of Directors allocation will be set aside, which will not be in excess of 5% as stipulated in the articles of incorporation, of the remainder, the amount of TL 31,669,861 will be distributed among shareholders as a second dividend. The net combined total of first and second dividends amounts to TL 37.203.098. This corresponds to 85.85% of our issued capital, which amounts to TL 43,335,000, of the remainder, TL 4,390,160 will be set aside as a General Legal Reserve, of the remainder, all will be set aside as Extraordinary Reserves.

If this proposal is approved, the Company will be paying out a net cash dividend amounting to TL 0,8585 on each share of its stock with a par value of TL 1.00.

Best Regards,

PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.
