



## Pınar Süt Mamulleri Sanayii A.Ş.

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**Date:** March 5, 2018

**Subject:** Board of Directors Decision for Dividend Distribution

At its meeting dated March 5, 2018 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 2017; 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 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 47,082,544 which is the net term profit of 2017, the legal limit has been reached and therefore no General Legal Reserve will be set aside and the net distributable term profit is TL 47,082,544.

The following proposal concerning the allocation of the TL 47,082,544 distributable profit, is concluded to be submitted to the approval of the Ordinary General Assembly:

TL 9,471,879 will be distributed to shareholders as first dividend. This corresponds to 20% of distributable profit when TL 276,850 that was paid out as charitable donations during the year in line with the CMB rules 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 7,609,521 will be distributed among shareholders as a second dividend. The net combined total of first and second dividends amounts to TL 14,519,190. This corresponds to 32.30% of our issued capital, which amounts to TL 44,951,051, of the remainder, TL 1,671,385 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 0.3230 on each share of its stock with a par value of TL 1.00.

Yours Sincerely,

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

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