

TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.
BOARD OF DIRECTORS RESOLUTION

Resolution No: 2017/ 18

Date: 13.07.2017

CAPITAL INCREASE

The issued capital of the company is TL 112.233.652,00. (one hundred twelve million two hundred thirty three thousand six hundred fifty two) and all of the capital has been paid free of collusion. The company is in Authorized Capital System and the upper limit of the authorized capital is 170.000.000,00 (one hundred and seventy million) Turkish Lira and is divided into 170.000.000,00 (one hundred and seventy million) shares, each having a nominal value of TL. 1.-(one).The authorized capital ceiling permission granted by Capital Market Board is valid between 2017 – 2021 (5 years).

The increasing prices of commodities after the growing fluctuations in global environment within the last quarter of the year 2016 also affected company's main manufacturing raw material copper.In addition to this; the increase in exchange rates (EUR/TL and USD/TL) compared to the previous periods cause an increase in financial need required for the operations of the company due to the fact that raw material costs are in foreign currency. The Company which mainly carries out Turkish Lira sales to the domestic market while purchasing raw materials in foreign currency, frequently performs hedging transactions in order to prevent exchange rate exposure.The cost of hedging transactions are also increased due to the risky macroeconomic environment that we are in and this situation adversely affects the balance of income and expenditures of the company.

After all of these are evaluated, it has been decided to increase capital in order to optimize financial costs, reduce the need for external sources and to increase the profitability of the company.

As a result of the discussions; pursuant to the authorization stipulated under article 6. of the articles of association of the company; it has been unianimously resolved

- To increase issued capital of the Company in cash, remaining within the authorized capital ceiling of TL 170.000.000,00.- (one hundred and seventy million) of our company, from TL 112.233.652,00.- (one hundred twelve million two hundred thirty three thousand six hundred fifty two) to TL 141.733.652,00.(one hundred forty one million seven hundred thirty three thousand six hundred fifty two) by 26,28 %, corresponding to TL 29.500.000,00.- (twenty nine million five hundred thousand),
- Not to restrict the pre-emptive right of the existing shareholders,
- To issue all 29.500.000 shares representing increased capital of TL 29.500.000,00. in cash. as unprivileged, in bearer form, each with nominal value of TL. 1.-(one) with a premium above the nominal value as the asset value of the Company is higher than the nominal value of the issued capital and the shares of the company are traded in stock exchange over a value higher than the nominal value,

- For existing shareholders to use their pre-emptive right with a premium and over TL 2,39 (TL 1 nominal value + 1,39 TL premium) which is the arithmetical average of the weighted price on the stock exchange within the thirty days prior to the date of this resolution,
- To determine the duration to use pre-emptive right as 15 (fifteen) days starting of which will announced on PDP following the approval of the prospectus and is ending will be extended to the end of next business day should the last day of such 15 (fifteen) days will clash a public holiday,
- To sell the remaining shares if any after the use of pre-emptive rights in Borsa İstanbul A.Ş.primary market for 2 (two) business days on condition that the selling price will not be below pre-emptive rights price, to cancel the remaining shares that has not being sold if any after this sale,
- To distribute the news shares to the shareholders that will be issued as a result of capital increase as dematerialized shares under the regulations of Capital Market Board in respect of dematerialization and General Letters of Central Securities Depository and to make shareholders use their pre-emptive rights under the dematerialization system principles,
- To send attached report with the application to the Capital Market Board explaining for which purposes the proceeds to be obtained from capital increase pursuant to article 33 of the Communique on Shares of Capital Market Board (VII-128.1)
- To authorize Mr. Ercan Gökdağ individually to make necessary applications, and to get approvals required for capital increase and to perform all kinds of transactions in front of Capital Market Board, Borsa İstanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş. (Central Securities Depository), Ministry of Customs and Trade and all the other relevant official institutions and organizations,
- To sign an intermediary agreement with Garanti Yatırım Menkul Kıymetler A.Ş. within the scope of capital increase transaction and to authorize our Company's Chief Financial Officer Mr. Ercan Gökdağ to sign this agreement,

CHAIRMAN Halil İbrahim Kongur	VICE CHAIRMAN Erkan Aydoğdu
MEMBER Fabio Ignazio Romeo	MEMBER Andrea Pirondini

MEMBER Ercan Gökdağ	MEMBER Ali Aydın Pandır
MEMBER Ayşe Canan Ediboğlu	MEMBER Mehmet Emin Tutan

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

THE REPORT FOR THE USE OF PROCEEDS TO BE OBTAINED FROM CAPITAL INCREASE

Date of Report:13.07.2017

Board Resolution: This report is approved with the resolution of Board of Directors with 13.07.2017 date and 2017/18 number.

1. GENERAL INFORMATION

1.1. Company Information:

Trade Name :Türk Prysmian Kablo ve Sistemleri A.Ş.
Address :Ömer Bey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA
Issued Capital : 112.233.652 Türk Lirası
Authorized Capital Ceiling : 170.000.000 Türk Lirası
Date of Establishment :20 January1964
Tax Office :Ertuğrulgazi
Tax Number :876 005 1374
Trade Registry : Bursa Ticaret Sicil Müdürlüğü
Trade Registry No :M 0153
Registration Date :20 January 1964
Registered Chamber of Commerce :Bursa Ticaret ve Sanayi Odası

1.2. Shareholding Structure

Our Company is listed in Borsa İstanbul A.Ş. and shareholding structure is as follows: There is no privilege or restriction on the shares.

Name Surname /Trade Name	Share rate (%)	Number of shares
Draka Holding B.V.	83,75%	93.991.660
Others (Publicly traded Part)	16,25%	18.241.992
<i>Türk Prysmian Kablo ve Sistemleri A.Ş.</i>	0,89%	1.000.000
<i>Other traded shares in Borsa İstanbul A.Ş.</i>	15,36%	17.241.992

2. INFORMATION RELATED TO COMPANY'S STATUTORY RECORDS

Information related to company's statutory records are as follows;

Year	Type of Statutory Record	Notary	Opening Ratification Information	Closure Ratification Information
2016	General Journal	-	E-Book	E-Book
2016	Ledger	-	E-Book	E-Book
2016	Inventory	Mudanya Notary	22.12.2015/18121 Roll No.	30.06.2017/10025 Roll No.

3. THE GROUND REASON FOR CAPITAL INCREASE AND THE USE OF PROCEEDS TO BE OBTAINED FROM CAPITAL INCREASE

The increasing prices of commodities after the growing fluctuations in global environment within the last quarter of the year 2016 also affected company's main manufacturing raw material copper. In addition to this; the increase in exchange rates (EUR/TL and USD/TL) compared to the previous periods cause an increase in financial need required for the operations of the company due to the fact that raw material costs are in foreign currency. The Company which mainly carries out Turkish Lira sales to the domestic market while purchasing raw materials in foreign currency, frequently performs hedging transactions in order to prevent exchange rate exposure. The cost of hedging transactions has also increased due to the risky macroeconomic environment that we are in and this situation adversely affects the balance of income and expenditures of the company.

Our trade payables are mainly in foreign currency. On the contrary a major part of our trade receivables in our balance sheet are in TL. Our trade payables are TL 429.018.482 as of 31.12.2016. Average maturity of trade payables is 203 days. Our Board of Directors is planning to obtain financial resource by way of increasing capital and to pay its existing trade payables in foreign currency and therefore reduce the exchange rate exposure of the Company and the cost of forward contracts that are used for hedging. Furthermore, aims price

improvement in production input costs by way of shortening payment dates of our trade payables.

4.CONCLUSION

All of the gross TL 70.505.000,00.- fund that is aimed to be raised by way of increasing issued capital of the Company in cash by 26,28 %, from TL 112.233.652,00.- up to TL 141.733.652,00.- within the authorized capital ceiling of TL 170.000.000,00.- and to issue the shares each having a nominal value of TL. 1.-(one) from TL 2,39.- (TL 1 nominal value + TL 1,39 premium) will be used to pay trade payables in foreign currency.

Regards,