

NOTICE FOR DIVESTITURE OF SHARES BY THE IRANIAN PRIVATIZATION ORGANIZATION THROUGH THE TENDER BID

In the execution of the 4th Economic, social & cultural Development plan of the Islamic Republic of Iran and the regulations related to the general policies of the Principle 44 of the constitution, Iranian Privatization Organization is considering divesting it's shares and the shares of National Iranian Oil Company (NIOC), production of agricultural, bestial and natural resources committee, Iran Water Resources Management Organization and Industrial Development and Renovation Organization of Iran (IDRO) through the following companies, observing other conditions stated hereunder by resorting to the tender method, with the preferred shares (if any) at maximum 5 percent of the total divestible shares and installment shares of other skilled managers (if any) at maximum 5 percent of the state shares having been deducted:

Row	Name of the Company	No. of Divestible Shares					Company's Capital (million Rials)	Base Value of each Share (Rials)	Total Base Value of the Shares (Rials)	Deposit for Participating in Tender	Company's Ownership Composition (Stockholders)	Company's type of activity
		Divestible Shares as Block	Preferred & Installment Shares	Other managers' shares	total	Total Percentage						
1	Petropars	15300000	1500000	1500000	18300000	61	294750	83333	1524993900000	30649878000	<ul style="list-style-type: none"> National Iranian Oil Company (NIOC) 100% 	activity in petrochemical, Oil Gas

2	Shahid Beheshti Agro-Industry Co	7203042	400169	400169	8003380	100	800338	160323	1283125891740	25812517835	<ul style="list-style-type: none"> production of agricultural, bestial and natural resources 100% 	Implementation of Farm and Ranch Operations
3	Loshan Cement Co	6270000	330000	—	6600000	33	20000	15240	100584000000	2161680000	<ul style="list-style-type: none"> Iranian Privatization Organization 33% Tehran Cement Co. 67% 	Production and sale of cement
4	Zarine rood Utilization of Irrigation & Drainage Networks Co.	47	2	—	49	49	1	3403126	166753174	8337700	<ul style="list-style-type: none"> Iran Water Resources Management Co. 49% Vahdat Utilization of Irrigation & Drainage Networks Co. 17% Other Stockholders 34% 	Water Distribution in Irrigation & Drainage Networks & Farms
5	Shiraz Liquid Oil Co.	4758626	250453	—	5009079	25.68	19500	19796/8	99163735147	2133274703	<ul style="list-style-type: none"> Iranian Privatization Organization 25.68% Pooya Process Trade Services Co. 60.32% Other 	Preparation & production of Vegetable Oil

											Stockholders 14%	
6	Farab Co.	44100000	2450000	2450000	49000000	49	100000	19594	960106000000	19352120000	<ul style="list-style-type: none"> • Iran Water Resources Management Organization 49% • SABA Power & Water Industries Investment Co. 51% 	Implementation of Industrial & infrastructure planning inside the country on Water & Power Industries
7	Brilliant Medical Salt Refinery Company	13177260	693540	—	13870800	40	34677	684	9487627200	339752544	<ul style="list-style-type: none"> • Industrial Development and Renovation Organization of Iran (IDRO) 40% • Azim Azimi Nejadan 29/96% • Mehdi Azimi Nejadan 29/96% • Other Stockholders 0.08% 	Refining the salt

8	Armco Automobile Radiator Manufacturer Co.	1919375	101020	—	2020395	25/65	7877	3195	6455162025	279103500	<ul style="list-style-type: none"> • Iranian Privatization Organization 25.65% • Hasan Azimi 22.76% • Asghar Azimi 22.59% • Saeed Azimi 22.42% • Other Stockholders 6.58% 	Production and Sale of Automobile Radiator
9	Shazand Sugar Plant	653502	34395	—	687897	16/86	4080	32166/4	22127170061	592543401	<ul style="list-style-type: none"> • Iranian Privatization Organization 16.86% • Mostazafan Foundation 79.53% • Other Stockholders 3.61% 	Production of Sugar & Hard Sugar

1. Transaction Conditions:

- 1.1. The above prices are the base shares prices. Undoubtedly, the highest proposed prices shall form the transaction price.
- 1.2. The applicants are required to submit their suggestions regarding the total shares supplied by each enterprise separately. Evidently, the related preferred shares acquired by the employees of the enterprise shall be deducted from the divestible shares of that enterprise, and the winning bid shall be decreased in proportion to the acquired shares. The remaining shares, then, shall form the basis for the estimation of the transaction price.
- 1.3. The cash deposit for participation in the tender to acquire shares of the divestible enterprises shall be settled by the applicants to the Treasury SIBA Account No. 2170159008002 in the IPO name payable in all the branches of Bank Melli

Iran (delivering of Encoded Bank Check is not possible) accompanied by its Receipt Sheet and the purchase bid in a sealed package to the Financial Affairs Department until the end of the working hours of Sunday (26, Apr. 2009), to the related IPO office, located in Room No. 402, 4th floor, No. 75, Zarafshan St., Shahrake Qods, in lieu of the receipt.

- 1.4. In order to receive the form to participate in the bids for acquiring the shares of the divestible enterprises, applicants may refer to the Divestiture and Supporting of Investment Department located at the above address until the stated date.
- 1.5. Applications received by the IPO after the stated date shall be invalid.

* Note: Transfer of the shares shall be carried out according to the mutual contract. The Agreement Model and the Power of Attorney to be drawn up at the Notary Public Offices are available at the IPO. The Purchasers are required to adhere to the provisions of these documents and as far as the IPO is concerned, the participation in the Tender means enjoying the necessary knowledge and acceptance to adhere to the contents of the same.

- 1.6. Upon the Application of the purchasers, the companies (rows 1,2,3 of the above table) must pay the transaction price in cash (at least 20%) and by installments within 5 years, including the interest rate of installment sales (80%), the companies (rows 4,5) must pay the transaction price in cash (at least 30%) and by installments within 4 years, including the interest rate of installment sales (70%), the Farab Co. (row 6) must pay the transaction price in cash (at least 25%) and by installments within 4.5 years, including the interest rate of installment sales (75%), the Brilliant Medical Salt Refinery Company (row7) must pay the transaction price in cash (at least 20%) and by installments within 4 years, including the interest rate of installment sales (80%), the Armco Automobile Radiator Manufacturer Co. (row8) must pay the transaction price in cash (at least 20%) and by installments within 4.5 years, including the interest rate of installment sales (80%), the Shazand Sugar Plant (row9) must pay the transaction price in cash (at least 40%) and by installments within 3 years, including the interest rate of installment sales (60%).

* Note: In installment sales, the interval between 2 installments is 6 months and the interest rate of sales Bank System Method at industry and mine sector.

- 1.7. When the transaction price is to be paid in installments, the shares certificates shall be kept by the seller as collateral, until the payment of the share price is completed. Also on the strength of Directive of Article 9 of the Executive Bylaw of Paragraph F of Article 14 of the Forth Development Plan shall enjoy the concerned discounts.
- 1.8. According to Note 4, clause 20 of the Amendment Law of the Fourth Development and Implementation plan regarding the General Policies of Article 44 of the Constitution of Islamic Republic of Iran, under similar condition, the priority of purchase is bestowed upon the Cooperative Sector.

1. Preferred Shares:

By virtue of the bylaw of Note3, clause 20 of the Amendment Law of the Fourth Development and Implementation plan regarding the General Policies of Article 44 of the Constitution of Islamic Republic of Iran;

Preferred and Installment sales shall be of maximum five percent (5%) of shares of firms subject to transfer to the directors, the staff and the retired individuals of the same firm and also sales of installment of maximum five percent (5%) of the shares of the above firms to the other experienced, expert and efficient directors:

2.1. Preferred and Installment sales of shares to directors, staff and retired individuals of the same firm

- a The directors and the staff or the officers (official or contract) of firms are subject to transfer, and also directors and staff of firms who are official in other firms and they have at least one year of experience in the related field and also their firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to have the preferred shares. The directors and the officers whom payment of the insurance premium or their superannuation payment are deducted from source of mission, aren't entitled to ceding shares. Each qualified individual and each staff member of the investee firms where more than 50 % of their investment belongs to the transferable firm can enjoy the preferred shares (if they request).

* Note1: Ceding shares to the directors and the staff has higher priority; if after ceding shares to them there were transferable shares of firm, on condition that the retired individuals of the same firm have not received the justice shares, they shall be entitled to the above-mentioned shares. It is not permitted to use the benefits of justice shares and preferred shares simultaneously. If eligible superannuated individuals had enjoyed the benefits of justice shares before, and they want to enjoy the benefits of preferred shares too, first they should return the received justice shares.

- b The amount of the allottable preferred shares to the qualified individuals is (maximum) tenfold of the six-month old average of the applicants' last received wages and benefits (based on the Payment Ordinance) which shall be sold at the base shares prices.
- c Preferred shares shall be transferred only by written request of the applicants. Individuals qualified to purchase the preferred shares are required to submit within 30 days of the publication of the first notice or the sending of a letter from IPO to the transferable firm to announce the notice, their request in this regard, along with the complete list including the details of the purchasers certified by the related firm and the corresponding branch of the Social Security Organization, as well as the contract sheets to the Manager of the Divestiture and Supporting of Investment

Department of the IPO. Where there is received no application for purchasing the preferred shares or acquiring the whole shares to the provisioned ceiling demanded, rest of the said shares shall be added to the blocked divestible shares under other related regulations.

* Note2: It is the managing director's and the board of directors of the transferred firm's responsibility to confirm the names and the amount of price cited in the Payment Ordinance of the personnel.

2.2. Installment sales of shares to the other experienced, expert and efficient directors

- a Members of the board of directors, managing director and those with similar designations who have at least two years of experience in the field of management (related to the activities of the transferred firm) ,and other high-level managers graduated from university who have at least two years of experience in the Engineering Management (design, supervision and inspection), production and execution(Production Management or Executive Management) and Operations Management(office affairs, sale, commerce, support and finance) on the activity of the transferred firm ;or five years of experience in the counter-balanced management in the firms and similar units or related industries (Economic Sector), based on the last ISIC (International Standard Industrial Classification), according to the approved conditions by the Ceding Board, are subject to receive the above-mentioned shares.
- b The amount of the salable installment shares to the qualified individuals is (maximum) twenty times over the six-month old average of the applicants' last received wages and benefits (based on the Payment Ordinance) which shall be the base shares' prices.
- c All the qualified applicants included in Paragraph a, Part2-2 are required to submit within 20 working days of the publication of the first notice, their written request in this regard, along with the mentioned documents by paragraph a.
- d The applicants must pay 20% of the transaction value in cash after ratification of the Ceding Board and the confirmation of the IPO (The rest must be paid to the organization during the repayment of the above-mentioned block installments without the interest rate of installment sales).
- e For the purpose of the guarantee of the performance of their obligations, while the directors conclude a ceding contract, they must adjust the official irrevocable attorney based upon vesting the powers in the IPO and submit it to the IPO.

3. Other Cases

- 3.1. The Envelopes containing bids shall be opened at 10 am on Monday (27, Apr. 2009) in the venue of the IPO and the bidders may participate in the event.
- 3.2. The IPO preserves the right to accept or reject all or any of the bids.
- 3.3. In case the winner of the bid fails to pay the cash part of the transaction price, during the 20 working days of the notification, their deposit shall be confiscated to the IPO benefit.
- 3.4. The applicants undertake not to be prohibited from transactions and they must not include in the Article 24 of Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and Implementation of General Policies of Principle (44) of the constitution (ratified 21, July 2008) and the law of government personnel's intervention prohibition in the state and country transactions (ratified in 1958).
- 3.5. For further information and collection of the Letter of Introduction to visit the factories, the applicants may refer to the room no. 309 located at Divestiture and Supporting of Investment Department of IPO located at No. 75, Zarafshan St., Shahrake Qods, until Saturday (25, Apr. 2009).

IPO Website: www.ipo.ir