

**NOTICE FOR DIVESTITURE OF PUBLIC SHARES
BY IRANIAN PRIVATIZATION ORGANIZATION
"THROUGH THE STOCK EXCHANGE, OTC (over the counter) & TENDER"**

In the execution of the regulations related to General Policies of Principle (44) of the Constitution, Iranian Privatization Organization is considering to divest the shares of the following firms, observing other conditions stated hereunder:

Row	Name of the Firm	Divesting Method	Firm's Size	No. of Divestible Shares				Capital (million Rials)	Base Value of each Share (Rial)	Total Base Value of Divestible Shares/assets (Rial)	Deposit for Participating in Tender (Rial)	Conditions of Installment Selling			Shareholders & Percentage of their Ownership	Firm's type of activity
				Divestible Shares as Block	Preferred & Installment Shares	Total	Total Percentage					The least percentage of cash prepayment	Installment period (year)	Maximum dead line to pay the cash part of price (working days)		
1	Khuzestan Steel Co.	Stock Exchange	Very Large	1,106,960,000	-	1,106,960,000	50.5	2,192,000	The TSE Board price on the day of offering plus 25% unless it wouldn't be less than 30,000 Rls	33,208,800,000,000	996,264,000,000	20	4	20	<ul style="list-style-type: none"> ●IMIDRO 50.5% ●Justice Shares Provincial Investment Co. 30% ●Civil Servants Pension Fund (CSPF) 3.6% ●Social Security Fund 3.8% ●Social Security Organization of armed forces 1.2% ●Other Shareholders 10.9% 	Production of steel products
2	Jovain Electrical Machines Industry Co.	OTC	Average	190,000,000	10,000,000	200,000,000	100	200,000	1792	358,400,000,000	10,752,000,000	10	8	20	<ul style="list-style-type: none"> ●IDRO 100% 	Producing, assembly & selling the disjoined parts of electrical machines
	Pars Concrete Industry Technologists Co.	Tender	Small	190,000	10,000	200,000	20	1000	437	87,400,000	2,622,000	In cash		10	<ul style="list-style-type: none"> ● IDRO 20% ● Fars civil & mass makers investors 60% ● Talashgaran Pars –sarzami Investment Co. 20% 	Design, implementation, establishment & operation of the factories of dry mortar & etc.
	Zagros Power Plant	Tender	Very Large	7,842,084,000,000 (Rials)	-	7,842,084,000,000 (Rials)	100	-	-	7,842,084,000,000	235,262,520,000	15	8	20	<ul style="list-style-type: none"> ● Tavanir 100% 	Production & selling the electric energy (production capacity 648 MW)

1. Transaction Conditions:

- 1.1. The above prices are the base shares/assets prices. Undoubtedly, the highest proposed price shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the block divestible shares/assets of each company, separately.
- 1.3. The Envelopes containing bids shall be opened at 2 pm on Sunday (03, Mar. 2013) in the IPO.
- 1.4. On the Stock Exchange and OTC offering, the certain date of initiation of divesting shall be specified through the statement issued by Iran Farabourse Company/Tehran Stock Exchange. To inform from the certain time of divesting, the applicants may refer to official website of Iran Farabourse Company with the address: www.irfarabourse.com and website of Tehran Stock Exchange with the address: www.irbourse.com. Initiation of offering is at least 20 days after the first ads and 13 days after the second advertising.
- 1.5. The cash deposit for participation in the tender must be settled by the applicants (only in cash) to the Treasury SIBA Account No. 2170159008002 Branch of state accounts in the IPO name payable in all of the branches of Bank Melli Iran (delaying in deposit and presenting any kind of checks results to reject the offers by the IPO); and the original bank receipt in accompany with the purchase bid must be delivered in two separate envelopes in a sealed package to the Security department at IPO, located in 7th floor, No. 15, Mahestan St., Iran Zamin St., Phase 1, Shahrake Ghods, Tehran until the end of the working hours of Saturday (02, Mar. 2013).
- 1.6. On the Stock Exchange and OTC divestitures, the purchasers will be allowed to enter the purchase order to the trading system in the case that they settle 3% of the value of transaction shares based upon the base shares price of the advertised shares (in cash or bank guarantee) to the account of Central Securities Depository (CSD) of Iran as a deposit participating in the competition to guarantee the purchasers' liabilities unconditionally. Reminding that the deposit for participation in the buying competition concerning the shares which have the second market shall be declared at the Stock Exchange/ OTC declaration.
- 1.7. In case the winner of the bid/competition fails to pay the cash part of the transaction price and to represent the guarantee documents (in installment transactions), within the deadline of the notification (since the winning time at the Stock Exchange and OTC), the winner of the transaction must not have any claim about the deposit and as soon as possible their deposit shall be confiscated to the IPO benefit (after legal deductions).
- 1.8. To barter the cash part of the transaction on behalf of the debts of government is possible just when the creditor was winner. On the tenders, to barter the cash part of the transaction is based upon the value of transaction. On the Stock Exchange and OTC, to barter the cash part is on the basis of the cash part of the total base value of the Ads/statement.
- 1.9. Transfer of the shares shall be carried out according to the mutual contract. Applicants may receive agreement model, notarized power of attorney and guideline of monitoring mode after divesting from IPO and Tehran Stock Exchange Company. As far as the IPO is concerned, participation in tender/competition means enjoying the necessary knowledge and acceptance to adhere to the contents of the same. The purchasers are obliged to adhere to the provisions of these documents.
- 1.10. In installment transactions, the interval among installments is 6 months and the interest rate of sales is 15%. On installment transactions, it is permitted to buy in cash.
- 1.11. In installment transactions, observing the paragraph 1-12, the shares certificates equivalent the remained installment of traded shares shall be kept by the IPO as Collateral, until the payment of the shares' price is completed. At least equivalent to 50% of remaining debt of installments shall be received assurance documents.
- 1.12. The purchasers are obliged to replace the governmental guarantee issuant in proportion with the purchased shares and releasing the divested shares depends upon the disburse of all the liabilities of the company in the proportion of the divested shares to the Mother Specialized Company and governmental and nongovernmental bank system, foreign exchange reserves and treasury presented in the financial statements which is the basis of the company's shares assessment.
- 1.13. The purchaser is responsible for any deficit on headings of assets and debt deficit such as the fraction of certain or uncertain tax reserves, social securities insurance, personnel's service redemption and the years of services, accrued interest and fines towards the bank and financial facilities on the report of auditor, controller and financial statements and they don't have any claim about the deficit

or excess of the numbers. Also, IPO is not responsible for it at all. Meanwhile these cases are not included in paragraph (e) of Article (9) of the guideline "How to adjust divesting contracts" subject no. 223913 dated 07, Apr. 2009 and in case of ambiguity on accounts headlines, the purchaser may request the related documents.

1.14. Considerable points for the applicants of Khuzestan Steel Company:

During the construction of Khuzestan Oxin Steel Plan, Khuzestan Steel Company opened the documentary credit at Iran Saderat Bank on \$250,000,000 guaranteed by Iran Mines and Mining Industries Development and Renovation Organization (IMIDRO). After turning the mentioned plan to the legal entity "Khuzestan Oxin Steel Company", the amount of \$250,000,000 had revealed in the financial statements of the mentioned company, in the other accounts and payable accounts. Up to the end of 2011 fiscal year, Khuzestan Oxin Steel Company has paid the prepaid of documentary credits and the installments till the third stage to the Iran Saderat Bank. But considering that Khuzestan Oxin Steel Company had opened the documentary credits, the mentioned amount is revealed at the financial statements ending 19, Mar. 2012 of Khuzestan Steel Company in the probable obligations and liabilities. Therefore, releasing the divestible shares of Khuzestan Steel Company depends on determining the status of the mentioned liabilities in the proportion of the divested shares.

3. Financial or Non-financial Incentives and Discounts in the Block Controlled Shares:

- 3.1. The purchasers of the controlled shares who increase number of the staff of the firm to the extent more than what is recorded in the divesting document during the period of installment, or resort to train and recruitment of extra workforces of other privatized firms in their units, shall enjoy the financial or non-financial incentives as mentioned in the guideline of "monitoring mode after divesting the shares", if they are qualified.
- 3.2. If the qualified purchasers of the controlled block shares conclude the measures like the new investment, promotion of efficiency and productivity, production continuity and promotion of its level, promotion of technology and fixing the occupation level in the divestible firm shall be enjoyed the discounts of the guideline No. 223915 ratified by the divesting Board (dated 7, Apr. 2009).

4. Other Cases:

- 4.1. In order to receive the financial information to participate in the bids of the companies, the applicants may refer to the website of Iranian Privatization Organization www.ipo.ir "Companies' information Section" and for more information they may call 021-88083640 or 88085624. The information of the companies divesting through the Stock Exchange and OTC is at their sites.

IPO Website: www.ipo.ir