

NOTICE FOR DIVESTITURE OF SHARES BY THE IRANIAN PRIVATIZATION ORGANIZATION "THROUGH THE STOCK EXCHANGE, OTC & TENDER"

In the execution of the Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and the regulations related to General Policies of Principle (44) of the Constitution and the ratifications of Ministers Cabinet and Divesting Board, 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 (Rials)	Total Base Value of Divestible Shares(Rial)	Deposit for Participating in Tender (Rials)	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 percent of cash payment	Payment period (year)	Maximum deadline to pay the cash part of price (working days)		
1	Esfahan Oil Refining Co.	Stock Exchange	-	416,225,800	-	416,225,800	10	4,162,258	The TSE board price on the day of offering (equal to the closing price on the day before the offering date) plus 15% unless it wouldn't be less than 4,661 Rls	58,200,853,614	30	4	30	<ul style="list-style-type: none">● State 10%● Justice Shares 30%● Cooperative Fund of the Ministry of Health Staff 15%● Debts Rejected of State 20%● Other Stockholders 25%	Inside & outside productive- trading & commercial activity which are related to this matter directly or indirectly	

2	Iran Tourism Development Co.	OTC	Very Large	46,604	2,453	49,057	73	336	21,953,899	1,076,992,423,243	32,309,772,697	20	6	20	<ul style="list-style-type: none"> • Cultural Heritage, Handicrafts & Tourism Org. 73% • T W I third Establishment Switzerland Co. 25% • Industry & Mining Investment Co. 2% 	Construction, building, taking the possession, leasing & selling, & carpeting the hotels & restaurants & preparing different kinds of foods & operation of several hotels
3	Nosaz Construction and Services Co.	OTC	Medium	228,000	12,000	240,000	100	12,000	1,226,050	294,252,000,000	8,827,560,000	20	4	20	<ul style="list-style-type: none"> • Industrial Development & Renovation Organization of Iran (IDRO) 100% 	The construction, purchasing and selling of movable & immovable properties, creation & maintenance of residential, commercial & office units
4	West Region Development & Housing Co	Tender	-	950,000	50,000	1,000,000	40	2,500	14,212	14,212,000,000	426,360,000	20	4	20	<ul style="list-style-type: none"> • Iran Urban Development & Improvement 40% • Sakhteman-e Iran Investment Co. 29.996% • Iran Housing Construction & Development Co. 29.996% • Guilan Housing Construction & Development Co. 0.004% • Investment Securities Support Co. 0.004% 	Management & preparation of urban development projects, architecture & urban development, contracting & brokerage

5	Kaveh East Steel	Tender	–	2,850,000	150,000	3,000,000	30	10,000	6,763	20,289,000,000	608,670,000	20	4	20	<ul style="list-style-type: none"> ●IMIDRO 30% ●Kaveh Pars Mining Industry 70% 	Exploration of minerals, groundwater, surface & deep & geophysical mapping
6	Ofogh-e Sepahan Light Steel Structures	Tender	–	3,800,000	200,000	4,000,000	40	10,000	1,186	4,744,000,000	142,320,000	40	2	20	<ul style="list-style-type: none"> ● IDRO 40% ●Esfahan Building Co. 25% ●Esfahan Housing Development Co.25% ●Esfahan Entrepreneurship & Cooperative Development Foundation Cooperative Co. 5% ●Esfahan Province Investment Co. 5% 	Investment on prefabricated building on LSF (Light Steel Structures), investment on prefabricated building on Light load bearing walls & etc.
7	Sangdaneh Pars Industry Technologists	Tender	–	190,000	10,000	200,000	20	1,000,000	2,425	485,000,000	14,550,000	50	One 6month installment	20	<ul style="list-style-type: none"> ● IDRO 20% ● Fars Mass Production Investment & Development Co. 60% ●Talashgarane Pars Land Investment Co. 20% 	Design, implementation & establishment of the factories of dry & ready mortar, establishment of the factories & production workshops & etc.
8	Pars Concrete Industry Technologists Co. (before the operation)	Tender	–	190,000	10,000	200,000	20	1,000	641	128,200,000	3,846,000	Totally in cash		10	<ul style="list-style-type: none"> ●IDRO 20% ● Fars Mass Production Investment & Development Co. 60% ●Talashgarane Pars Land Investment Co. 20 	Design, implementation & establishment of the factories of dry & ready mortar, consulting, studying affairs, planning, designing & etc.

9	Guilan Carpet Co.	Tender	–	13,676	720	14,396	21.18	680	3,334	47,996,264	1,439,887	Totally in cash	10	<ul style="list-style-type: none"> • IPO 21.18% • Social Security Organization 57.75% • Civil Servants Pension Fund (CSPF) 3.77% • Foundation and Veterans 3.38% • Other Stockholders 13.92% 	Inside & outside industrial & trading activities, investment on establishing & running the factories to produce petrochemical products & etc.
10	Pars Abad Metal (before the operation)	Tender	–	380,000	20,000	400,000	40	1,000	1,000	400,000,000	12,000,000	Totally in cash	10	<ul style="list-style-type: none"> • IDRO 40% • Ghobad Choobdar 10.8% • Mohamad Riaz Khalili 10.2% • Mohamad Ali Kiani 10.2% • Other Stockholders 28.8% 	Design & production of industrial equipments & metal Structures, implementation of E.P.C., Housing projects & industrial projects inside & abroad, buying & selling & etc.

1. Transaction Conditions:

- 1.1. The above price is the base shares price. Undoubtedly, the highest proposed price shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the whole divestible shares of each company separately. Evidently, number of the allocated preferred shares by the personnel of the enterprise (if someone be eligible for it) shall be deducted from the divestible shares and the suggested price of winner of the bid in proportion to the allocated shares. The remained shares, then, shall form the basis of the transaction price.
- 1.3. 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 IPO, located in the Room No. 402, 4th floor, No. 75, North Zarafshan St., Shahrake Qods, until the end of the working hours of Saturday (02, July 2011), in lieu of the receipt.

- 1.4. In order to receive the financial information and the form to participate in the bids of the companies rows 4 to 10, applicants may refer to the IPO site: www.ipo.ir (the section of Information of the Companies' Affairs), and for more information call the numbers 021-88369242 and 021-88075970. Also, the applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 502.
- 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. Applicants may receive agreement model, notarized power of attorney, guideline of monitoring mode after divesting, and the application form of participation in tender that are available at the IPO, for Esfahan Oil Refining Company at Tehran Stock Exchange and for the companies rows 2 and 3 at Farabourse Iran Company. As far as the IPO is concerned, participation in tender 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.
- 1.6. On installment transactions, it is permitted to buy in cash. In installment transactions, individuals must pay the cash part and the installments according to the information in the above table.
 - * Note: In installment transactions, the interval among installments is 6 months and the interest rate of sales is 12%.
- 1.7. In installment transactions, 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.
- 1.8. According to Note 4, Article 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, on tender divesting shares, the priority of purchase is bestowed upon the cooperative sector, under similar condition.
- 1.9. The previous purchasers of installment block shares of IPO, who have not paid their installment based upon their contract, are not allowed to purchase the shares again or to attend in the tender bid till settling the previous debt.
- 1.10. Monitoring mode after divesting the shares shall be according to the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010).
- 1.11. The purchasers are obliged to replace the governmental guarantee issuant in proportion with the purchased shares and to pay the company's debt to the Mother Specialized Company and governmental and nongovernmental bank system, which is registered on pricing report or divestible firm's offices. Releasing the shares is based on disburse of all the subject matters and liabilities.

- 1.12. 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. The suggested shares price by the purchaser is based upon the estimates by him and it has no relation with the estimates of IPO on the shares.
- 1.13. Nongovernmental public institutions and subsidiaries and affiliated companies that are applicants to purchase the shares are obliged to obey the subject of Article 6 of 4th Economic, Social and Cultural Development Plan and the regulations related to General Policies of Principle (44) of the Constitution and they must not include in it at the time of the transaction. The buyer is responsible for non-observance of it.

1.14. Purchaser's Obligations:

- 1.14.1. The purchaser declares and acknowledges that he has sufficient information on the financial, economic, technical, legal and current status of the company (which its shares will be divested) and also he knows the current value of the shares to be divested. So he has no right to claim against the organization due to the lack of necessary information from financial statements and the last status of the accounts and declared cases and other related information of to be divested shares and related company.
- 1.14.2. According to the ratifications of the Supreme Council of Money and Credit (Central Bank of Iran); on installment transactions, the purchaser is obliged to pay compensation for per day of delay in payment of any installment and the seller has the right to vindicate it from the place of securities of the contract and other contractual and legal basis.
- 1.14.3. The purchaser has no right to transfer the shares of transaction and any obligations, responsibility and authorities arising from the contracts to the third party as a whole or partial without the consent and coordination of the organization up to the end of obligations. Therefore such transfers are invalid.
- 1.14.4. The purchaser has no right to do any material and legal actions that partly or entirely damage or limit or cancel the rights and powers of the organization.
- 1.14.5. On installment transactions, the purchaser is obliged to pay all the installments on time without delaying. In the case of non-payment of 4 installments of the debts arising from the transaction or failure to fulfill the obligations stipulated in the contract, his debt change to the present debts instead of whole the remained installments. Therefore the organization may provide and collect it from the place of taken securities according to the law. So

the purchaser must pay the obligation sum (mentioned in the contract) according to the ratifications of the Supreme Council of Money and Credit in addition to the costs pursuant including costs of the hearing and the related honorarium.

* Note: at the proper time, the organization may follow and receive its certain claims through the mentioned strategy on "48" of General State Audit Law.

- 1.14.6. The purchaser declares and undertakes if based upon the certain decision of Jury or judicial authorities, whole or part of the transaction shares or other vested rights deserved for others, according to the contract between, they claims legal compensation from the relevant organization only through the IPO.
- 1.14.7. On divesting controlled shares and rights as the installment transactions, the purchaser is obliged to send a copy of financial statements and the notes attached, minutes of the Board of Directors and ratifications of the company's or firm's General Assemblies maximum 10 days after ratifying Until payment of all installments. In order to create suitable conditions for monitoring the company by the organization after the divestment, it must be possible to see the necessary documents and visit the company and required documents on the basis of written request, by the organization representatives. This commitment is appointing on cash divestments up to 5 years after divesting by the purchaser.
- 1.14.8. On divesting controlled shares and rights, the purchaser is obliged to present detailed written plan when they want to conclude the contract (according to the organization's request) to maintain existing employment level. Also the purchaser is obliged to act to the legal requirements of the organization and legal authorities on maintaining employment level and legal requirements and declare the result to the organization.
- 1.14.9. On divesting controlled shares and rights, the purchaser is obliged to stable and do not decrease the annual average of number of employees of divested company during 5 years after divesting, considering the alternative for people who are retired and who are redemption during the years after divesting.
- 1.14.10. On divesting controlled shares and rights, as long as the purchaser did not pay off their debt completely, up to 5 years after divesting he is obliged, duration of the contract and on cash divesting, himself or directors appointed by him, before any action, to declare any changes on the Article of Association of the company to the organization such as changing on the capital and selling fixed assets with the value of more than 1% of book value of all these assets during divesting period and receive written permission. (Equivalent to 1 percent of total value of salable fixed assets of the company/ firm, they are allowed without receiving written permission from the organization). During this period the purchaser must choose the company's/ firm's controller and auditor of the trusted and approved institutes and auditors of Securities and Exchange Organization. Every action without observing the mentioned formalities is invalid.

*Note1: With approving the divesting board, in the case of infringement of the purchaser from the above paragraph, the organization has the right to receive compensation "maximum 5% of the transaction price" from the purchaser or the value of divestible company's assets. The purchaser is bound to pay it.

*Note2: on divesting management shares and rights, the purchaser is obliged that the managers appointed by him must observe the obligations subject of this Article.

1.14.11. The purchaser must announce his awareness of legal obligations and commitments of the purchasers of the shares mentioned on the top and is obliged to provide the necessary conditions for continuing the enjoyment of the company's/firm's staff who are willing to enjoy of the facilities mentioned on the Article "31" of the aforesaid law based upon the maintenance of related pension fund.

1.14.12. If according to the identification and notification of Non-operating Defense Organization, the company's activity is a guarantee for the sensitive matters of security and critical classification, at managing the company and controlling the affairs the purchaser is obliged to observe and perform carefully the notified relevant regulations from the mentioned authority. In the case of observing these regulations best, he will be enjoyed from the financial and nonfinancial incentives.

1.14.13. The purchaser declares that he is aware of all the legal obligations and commitments of the purchasers of the shares mentioned on the law and other regulations.

1.14.14. Where the executive organization guarantees the commitments of the company, the purchaser is obliged during 1 month since the date of guarantor's request and if the guarantee's beneficiary agreed to eliminate the guaranteed obligations and free the mentioned guarantees and replace the other guarantees.

1.15. The Purchaser's Powers:

The purchaser must announce his complete awareness of the conditions and legal status of the company and the shares to be transacted and financial, economic, legal and technical conditions and all the previous, present and future obligations of the company and then sign the contract. After signing the contract, he deprives himself from all the powers, especially fraud even gross fraud.

1.16. The purchaser of Esfahan Oil Refining Company is obliged to participate in the completion of Development Plan in the proportion of his share.

1.17. The feed and products of the company is within the framework of the law of adjusting subsidies and the purchaser is required to follow it.

1.18. Noticeable for the applicants of purchasing the shares of Nosaz Construction and Services Company:

1. According to the Divesting Board ratification no. H89/2/251/173622 dated 7, Dec. 2010, it is decided that after careful evaluation the company's land and buildings located at Tehran, Iranian Privatization Organization with

Industrial Development and Renovation Organization of Iran (IDRO) take the permission for selling them separately from Ministry of Economic Affairs and Finance, by virtue of paragraph (2) of Article (18) of the Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan and implementation of General Policies of Principle (44) of the Constitution and maximum during 1 month they must do the necessary measures for Withdrawal of company's assets from the offices. After it re-price and present to the divesting board for the final decision.

2. The company owes 193,544,281,596 Rials to National Treasury for the debt subject "40% expression interest" (the law Articles of the previous years budget) and for it, some measures took place about the barter of Farmanieh property instead of some parts of the mentioned debt which based upon the mentioned ratification, the above-said debt is still in the company's commitment and the purchaser is responsible for settling it.

1.19. Noticeable for the applicants of purchasing the shares of Pars Concrete Industry Technologists Company:

According to the letter no. 128-B dated 31, July 2011; the contract of the company with Industrial Estate Company on 17, Oct. 2010 about a piece of land at Abade Industrial Estate is cancelled.

2. Preferred and Installment Shares (in case accrue):

By virtue of the bylaw of Note3, Article 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; it shall be divested maximum five percent (5%) of the preferred and installment shares of firms to the directors, staff and retired individuals of the same firm based upon the following conditions:

- a. The employed directors and staff or the envoys (official or contract personnel) of divestible firms, and also directors and staff of divestible firms who are envoys in other firms and they have at least one year of experience in the related field and also the divestible firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to receive the preferred shares. The directors and the envoys, whom payment of the insurance premium or their superannuation payment are deducted from the source of mission, are not entitled to be divested the shares to. Each qualified individuals who are employed on those investee firms where more than 50 % of their investment belongs to the divestible firm can enjoy the preferred shares.

* **Note1:** Divesting the shares to the employed directors and staff has higher priority; after divesting the shares to them, in case there were divestible shares of firm, the above-mentioned shares shall be divested to the retired individuals of the same firm. The retired individuals are not permitted to use the benefits of justice shares and preferred shares simultaneously.

- b. The amount of the allottable preferred shares to each qualified individuals is (maximum) tenfold of the six-month average of the applicants' last wages and benefits (based upon the legal ordinances) which shall be sold at the base shares price.
- c. Preferred share shall be divested only by written request of the applicants. The qualified individuals must submit within 30 days after the publication of the first notice or sending a declaration letter of the conditions of purchasing the preferred shares from IPO to the divestible firm, their request to use the preferred shares along with the complete list of applicants' qualifications which certified by the related firm, the Justice Shares Secretariat and the corresponding branch of the Social Security Organization, as well as the contract sheets to the management of the divestiture and supporting of investment department of the IPO. In case there is received no application to purchase the preferred shares or after allocation of all of the requested shares up to the determined ceiling; observing the regulations, the remained shares shall be added to the blocked divestible shares.

* Note2: The managing director's and the board of directors of the divestible firm are responsible for confirming the names and the amount of price cited in the Legal Ordinances of the personnel.

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

- 3.1. The purchaser of the controlled shares of Iran Tourism Development Corporation and Nosaz Construction and Services Company (the least amount of the shares to determine the majority of the board of directors' members) 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 number 63/2/206295 (dated 7, Apr. 2009) and the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010), if they are qualified.
- 3.2. The qualified purchasers shall enjoy of three types of financial incentives separately: discount in the original transaction price, minimization of the benefit of sale by installment or time discount (it means reviewing on the contract time resulting from lengthening of during the repayment of the installments).

* **Note:** Granting the financial or non-financial incentives depends upon the presenting the written plan of the purchaser to maintain and increase the level of the current occupation and retraining the firm's staff. Also, using the financial incentives in paragraph (3-2) is possible provided that after divesting, the average annual of the firm's staff numbers increases with regard to the recorded number in the divesting document, considering the alternative people in lieu of the retired and severance compensations during the years after divesting, on condition that reducing the number of employees during the studied period does not never exceed ten percent 10%.

- 3.3. If the qualified purchasers of the controlled 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 of " How to obtain commitments, insert provisions and grant discounts" by the divesting Board (dated 11, Mar. 2009).

4. Other Cases:

- 4.1. The Envelopes containing bids shall be opened at 2 pm on Tuesday (04, Oct. 2011) at the Persian Gulf Conference Hall of the IPO, located in fifth floor, and the bidders or their representatives may participate in the event.
- 4.2. The shares offering of Esfahan Oil Refining Company will begin since (03, Oct. 2011) at the Stock Exchange.
- 4.3. The shares offering of Iran Tourism Development Corporation will begin since (03, Oct. 2011) and Nosaz Construction and Services Company will begin since (04, Oct. 2011) at the OTC.
- 4.4. 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 tender of OTC to guarantee the purchasers' liabilities unconditionally.
- 4.5. The IPO preserves the right to accept or reject all or any of the bids.
- 4.6. In case the winner of the bid 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, 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).
- 4.7. If during 10 working days since settling the cash part by the purchaser, he refused to sign the contract and IPO confirmed it, the transaction is cancelled unless this organization agreed with the extension of the appointed time.
- 4.8. The applicants undertake not to be prohibited in 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).
- 4.9. For further information and obtaining introduction letter to visit the firm, the applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 502. For financial information of Esfahan Oil Refining Company, the applicants may refer to Tehran Stock Exchange and for Tourism Development Corporation and Nosaz Construction and Services Company to the OTC.

IPO Website: www.ipo.ir