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Iranian Privatization Organization (IPO)

"Block Offering of Shares and Properties"

By virtue of assignments envisioned in “The law of the Enforcing of General Policies of Article 44 of the Constitution”, its relevant rules and regulations, and approvals of the Divestiture Board, hereinafter the Board, the Iranian Privatization Organization, hereinafter the Organization, intends to transfer stocks/assets of the following enterprises with the terms and conditions as mentioned in this advertisement.

Shares transfer																	
No.	Name of Enterprise	Stock Transferring Method	Size of Enterprise	Capital (Million IRR)	No. of Shares (Properties) Presentable - in million			Block Size %	Base Value of Transferrable Shares		Deposit amount (IRR)	Sales Conditions			Shareholders	Field of activity of enterprise	Trading date/ Tender opening session
					Block	Employees	Total		Each Stock (IRR)	Total (IRR)		Cash down payment percentage	installment duration (year)	Deadline for cash payment (business day)			
1	Rena Investment Co.	Tehran Stock Exchange	Average	3,000,000	150,244,245	--	150,244,245	5/01	Closing price prior trade day plus 5% provided that Minimum price is 1,241 IRR.	186,453,108,045	5,593,593,241	30	3	30	IDRO (5/01%), Saipa Investment Co. (19/89%), Other shareholders (75/1%)	Investment & participating in companies & production units, selling & buying shares	March 18, 2015
2	Life Science Industry Development Co. (LIDCO)	Farabourse Iran (OTC)	Average	54,500	25,369,750	1,335,250	26,705,000	49 (As mentioned in paragraph 2-2)	8,144	217,485,520,000	6,524,565,600	30	4	30	IDRO (49%), Rena Group Investment Co-publc joint-stock. (30%), Ayandehsaz Protection & Pension Fund (21%)	Development, business and investment for making industrial units	March 18, 2015
3	Mashin Sazi Tabriz Foundry Co.	Tender	Average	112,500	106,875,000	5,625,000	112,500,000	100	2,651	298,237,500,000	8,947,125,000	10	8	30	IDRO (100%)	Buying and importing raw materials and selling and exporting all kinds of foundry parts and smithery	March 18, 2015

4	Mashin Sazi Tabriz Co.	Tender	Very Large	1,677,000	1,648,205,826	--	1,648,205,826	98/28	1,353	2,230,022,482,578	66,900,674,477	10	8	30	IDRO (98/28%), other shareholders (1/72%)	Production and selling any kinds of machinery, equipments and other industrial products	March 18, 2015
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Properties transfer													
No.	Name of Properties	Transferring Method	Owner	Details of Properties	Area	Usage	Address	Total Base Value (IRR)	Deposit amount (IRR)	Sales Conditions			Trading date/ Tender opening session
										Cash down payment percentage	Installment duration (year)	Deadline for cash payment (business day)	
1	El Goli Real States	Tender	Industrial Development and Renovation Organization of Iran (IDRO)	Residential real states of El Goli to the registered plates 103/11 & 4793/11	83,500 m ²	Residential	El Goli, Tabriz	3,529,200,000,000	105,876,000,000	20	4	30	March 18, 2015
2	Garage and Two business units	Tender	Sport Buildings Maintenance & Development Company	A piece of land to the registered plate No. 121/4 and buildings constructed in the land together with goodwill right's of two existing business units located at the east side of the building	737 m ²	Garage/Business	Plate No. 126 to 132, the north-east side of Ebn-e-Bab Viyeh, Shahr-e-Ray Ebn-e-Bab Viyeh Road, Tehran	42,700,000,000	1,281,000,000	In cash		30	March 18, 2015
3	Khorram Abad Riding Track	Tender	Sport Buildings Maintenance & Development Company	Land to the registered plate No. 14-3/2	74,211 m ²	Sport	60 Meters Blvd., Khorram Abad, Lorestan	265,422,750,000	7,962,682,500	In cash		30	March 18, 2015
				Superstructure (fencing, saule, stable, water reservoir, water/electricity/saule/ gas rights	2,625 m ²								

**Tender of Balooch Industries Company (row No.3 of the advertisement dated March 08, 2015 published at newspaperes Financial Tribune, Donya-e-eqtasad, Iran and Etemad) has been cancelled.*

1- General Transaction Terms:

- 1.1.** The abovementioned prices are shares/properties base prices. The highest bid price will be considered as the transaction price.
- 1.2.** Bid envelopes will be opened at 14:00 O'clock on Wednesday on March 18, 2015 at the Organization, 6th floor, and presence of bidders or their legal representatives in the session is allowed with owning identification documents and representation letter. Cash deposit for participating in the bid notice should be settled only in cash basis into SIBA Acc. No. 2170159008002 with Bank Melli Iran (BMI), Jame' Mosque Branch of Shahrak-e Ghods (Coded 1458), payable at all the branches of Bank Melli Iran (BMI). The original bank deposit receipt and completed bid proposal form should be submitted latest by the end of business hour on Tuesday on March 17, 2015 to the following address in the form of two separate envelopes inside a sealed envelope and take a receipt: ***Guard Management Office, 7th Floor, No. 15, Mahestan St., Iran Zamin Ave., Phase 1, Shahrak-e Ghods, Tehran – IRAN.*** Bid Proposal Form and Firm Financial Information are accessible on the website of the Organization at the following address: www.ipso.ir (under "Tender Advertisement & Tender Forms" and "Pricing Information & Financial Statements").
- 1.3.** Stock/enterprise ownership transfer will be conducted within the framework of mutual agreement. In view of the Organization, participating in bid notice and/or presence to compete in tender is meant that applicants have accepted all rules and regulations envisioned in the advertisement and internet website of the Organization. In other words, participating meant that applicants have accepted by details wholeheartedly, in which, purchasers are duty bound to observe its provisions.
- 1.4.** In transactions conducted based on installments, time interval of installments from one another is set for a period of six months and the interest rate of installments is set 15%. Also equivalent of remaining amount of installments will be kept by the Organization until full payments of the installments are made. It should be noted that guarantee documents will be received from the purchaser on minimum 50% of the remaining total installments.
- 1.5.** Transaction terms for purchasers of the private sector (people subject to paragraph 2 of "Instruction of Encouraging Real Private Sector for Engaging in the Privatization", Approved on February 15, 2014 by the Board, accessible on the official website of the organization, section "Current Laws and Regulations related to Incentives and Controlled Block Shares Discounts"), including: **A-** Decreasing the sales interest rate by 3% (12 percent) **B-** Increasing the period and the total number of installments up to one-third of total installments. **C-** Stepwise repayment of installments with the gradient of 10% annual growth and with 100 sources for midterm figure of installments has been stipulated case by case at paragraph 2 of this advertisement.
- 1.6.** For further information and receiving representation letter for visiting the transferable companies, applicants can refer to the Organization, 5th Floor, and/or send their request via the following fax number: +98 21 880 85622.
- 1.7.** Cooperative sector will enjoy purchase priority in equal conditions in offering shares/properties via bid/negotiation notice.

2. Exclusive Transaction Terms:

- 2.1. Rena Investment Company:** The purchaser must observe Competition Committee Approval dated April 16, 2011 on automakers companies. (The approval text is available at the Committee official website at www.council.nicc.ir.)
- 2.2. Life Science Industry Development Company (LIDCO):** **A-** Ayandehsaz Protection & Pension Fund based upon the letter No. 93/14762 dated February 16, 2015 has announced its tendency to sell 21% of its shares in Life Science Industry Development Company (LIDCO) with approved conditions of the Board. So the purchaser, interested to purchase the shares, can refer to the mentioned Fund for drawing up the contract. **B-** In case of purchasing the shares by private sector, parts B and C of the above paragraph (1-5) will be applied **merely** for the state-run shares.
- 2.3. Mashin Sazi Tabriz Foundry Company:** In case of purchasing the shares by private sector, parts A, B and C of the above paragraph (1-5) will be applied.
- 2.4. Mashin Sazi Tabriz Company:** In case of purchasing the shares of the Mashin Sazi Tabriz by private sector, parts A, B and C of the above paragraph (1-5) will be applied.
- 2.5. El Goli Real States:** If there is no applicant for purchasing Mashin Sazi Tabriz Company, tender of El Goli Real States will not be held.

3. Employees Shares (If Allocated):

Transferring maximum five percent (5%) of shares of enterprises to the managers, staff and personnel and the retired of the same enterprise will be based on the following terms and conditions:

A: Managers and employed staff and assignee personnel (whether official or contractual member) in enterprise subject to stock transfer and also those who assignee to other enterprises that have minimum one-year experience are eligible for the shares. Stocks will not belong to the managers and staff whom paying insurance premium or subtraction of their retirement are made from origin of mission. **B:** Employees in those companies that more than 50 percents of their capital belong to the transferable company are eligible for the shares. **C:** If there are surplus shares of enterprise after transferring shares to the mentioned individuals, the remained shares will allocate to the retired individuals of the same enterprise. Simultaneous use of advantages of voucher privatization plan (Saham Edallat) and Employee Shares is not allowed for the retired.

Employees' shares are transferred only in the form of written request. The qualified and eligible persons should submit their request along with detailed specifications of applicants, as approved by the enterprise, Voucher privatization Plan Secretariat and Social security Organization (SSO), to the Organization maximum within 30 days as of publishing date of first advertisement.

4. Financial and Nonfinancial Incentives and Controlled Block Shares Discounts:

Controlled block shares purchasers who embark on increasing the number of staffs and personnels of the company more than what has been registered in stock transfer document during installments period and/or if these purchasers fulfill measures such as new investment, they will be given incentives and discounts, subject of “The Instruction of the How to Exertion of Financial and Nonfinancial Incentives” and “The Instruction of the How to Receive Commitments, and Granting Discounts to the Controlled Block Shares Purchasers of State-Run Companies”.

Further information of transferring conditions stated at “Bid Proposal Form” envisioned at internet website of the Organizaion as the following address: www.ipo.ir.