

**NOTICE FOR DIVESTITURE OF SHARES
BY THE IRANIAN PRIVATIZATION ORGANIZATION
"THROUGH THE TENDER & OTC"**

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 on behalf of Social Security Organization (for Machine Sazi Pars Company), Iranian Privatization Organization is considering divesting the shares of the following firms, observing other conditions hereunder, with the preferential shares (in accrue case) at maximum 5 percent of the total divestible shares having been deducted:

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(Rials)	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					Percent of cash prepayment	Payment period (year)		
1	Machine Sazi Pars Co.	OTC	Average	76,000,000	4,000,000	80,000,000	100	80,000	2500	200,000,000,000	6,000,000,000	Totally in cash		• Social Security Organization 100%	Establishing, setting up, developing & modernization of machine building factories_ Metalworking_ Assumpsit_ investment in other companies & performing any technical & commercial operations that are related to the mentioned subject
2	Vavan Construction & Urban Development Co.	OTC	Average	9,576	504	10,080	100	2,016	24,510,616	247,067,009,280	7,412,010,278	20	5	• The Ministry of Housing & Urban Development 100%	Construction affairs, Steel structure and technical facilities, Road Construction, Drainage, Building, Airport, Railway, Asphalt off large and small bridges, Pier & naval facilities construction & Other civil operations
3	Transportation Affairs of Mixed Iran and Russia Co. (Irsuter)	OTC	-	300	15	315	50	415.8	139,682,539.683	44,000,000,000	1,320,000,000	40	2	• I.R. of Iran Maintenance & Transportation Organization 50% • Concern Sayozoush Transe 50%	International goods transportation & the related services such as expeditor, investing & cooperation in domestic & foreign institutions

4	Zarand Power Generation Management Co.	Tender	–	3,800	200	4,000	40	10	214,500	858,000,000	25,740,000	40	2	<ul style="list-style-type: none"> ●Tavanir 40% ●Saba Power & Water Investment Co. 60% 	Operation of all units & the facilities related to the power plant through the contract & electricity sales mainly to the Kerman regional electricity or DOE subsidiaries
5	Yazd Province Development & Housing Co.	Tender	–	12,290	646	12,936	49	5,280	3,328,839	43,061,861,304	1,291,855,839	30	3	<ul style="list-style-type: none"> ●Iran Urban Development & Improvement 49% ●Maskan Investment Co. 20% ●Yazd Province Municipalities Cooperation Organization 10% ●Yazd Municipality 10% ●Environment Development Co. 11% 	Contracting & Brokerage, performing the housing projects, roads & buildings, Urbanization and land preparation & Urban facilities services

1. Transaction Conditions:

- 1.1. The above prices are the base shares price. Undoubtedly, the highest proposed prices shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the whole divestible shares of each enterprise 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 Monday (04, Apr. 2011), in lieu of the receipt.
- 1.4. In order to receive the financial information and form to participate in the bids, applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 503.
- 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 and for the companies at rows 1 to 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. 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 equal to 50 percent (50%) of the bank system interest at industry and mine sector - 6% -.

- 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, under similar condition, the priority of purchase is bestowed upon the cooperative sector.
- 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, except the adjustments applied in the evaluation report of the company's shares and IPO is not responsible for it at all. Meanwhile the purchaser and the seller adapted all the information and the contract of each headings of article of association and they don't have any claim about the deficit or excess of the numbers.

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 for the companies at rows 1 & 2:

3.1. The purchaser of the controlled shares (the least amount of the shares to determine the majority of the board of directors' members) of the companies at rows 1 & 2 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 (05, Apr. 2011) in the 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 Machine Sazi Pars will begin since (04, Apr. 2011), (Irsuter) Transportation Affairs of Mixed Iran and Russia Company's shares offering will start since (5, Apr. 2011) and Vavan Construction & Urban Development Company's shares offering will begin since (6, Apr. 2011).
- 4.3. 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 to guarantee the purchasers' liabilities unconditionally.
- 4.4. 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), during the 20 working days 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). This prompt is 10 working days for Machine Sazi Pars Company.
- 4.5. The IPO preserves the right to accept or reject all or any of the bids.
- 4.6. 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).
- 4.7. 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, until Sunday (03, Apr. 2011). For financial information of the companies at rows 1 to 3, the applicants may refer to Farabourse Iran Company, until the mentioned date.

Important Notes: According to the power of attorney no 89.203.4058 dated 7, Aug. 2010, SABA Power and Water Industries Investment Company (joint stock company), which is the owner of 6,000 shares (equal to 60% of the shares of Zarand Power Generation Management Company), has agreed to sell its shares through the above companies, according to the price listed in the notice of sales of IPO block shares. The applicants may purchase the advertised shares or the whole divestible shares of the above enterprises. The contract for the sale of the shares of SABA Power and Water Industries Investment Company will be concluded directly by that enterprise.

IPO Website: www.ipo.ir