

NOTICE FOR DIVESTITURE OF SHARES BY THE IRANIAN PRIVATIZATION ORGANIZATION "THROUGH THE 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, Iranian Privatization Organization is considering divesting the shares of the following companies, observing other conditions stated hereunder by resorting to the tender, with the preferred shares (if someone be eligible for it) at maximum 5 percent of the total divestible 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 Divestible Shares (Rials)	Deposit for Participating in Tender (Rials)	Conditions of Installment selling		Shareholders & Percentage of their Ownership	Company's type of activity
		Divestible Shares as Block	Preferred & Installment Shares	Total	Total Percentage					Percent of cash prepayment	Payment period (year)		
1	Zagros Steel	18,620,000	980,000	19,600,000	49	40,000	1,532	30,027,200,000	900,816,000	10	6	<ul style="list-style-type: none"> Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO) 49% Steel Staff Support and Retirement Fund 30.47% Cooperative Foundation of Corps 17.15% Ajin Iron Mining Co. 3.38% 	Production of cast iron, steel, its derivatives and metal industries
2	Ehdas Payaneh	34,200,000	1,800,000	36,000,000	45	80,000	150	5,400,000,000	162,000,000	30	2	<ul style="list-style-type: none"> IMIDRO 45% Khuzestan Cement Co 54.99987% Other legal persons 0.00013% 	Construction of cement silos
3	Mashad Powder Metallurgy Co.	11,400,000	600,000	12,000,000	40	30,000	232	2,784,000,000	83,520,000	50	The remaining in one 6months installment	<ul style="list-style-type: none"> IDRO 40% Other real persons 22% Other legal Persons (less than 5%) 38% 	manufacturing industrial parts in powder forging method

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 (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 (19, July 2010), 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 IPO, Room No. 402 at the above address.
- 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, the Power of Attorney and the application form to be drawn up at the Notary Public Offices that are available at the IPO. 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. In divesting with cash and installment payment, Individuals with cash payment shall have the priority in purchasing the shares; in case the applicants intend to purchase on installment, they 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.
- 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.

2. Preferred and Installment Shares (if someone be eligible for it):

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 transferred maximum five percent (5%) of the preferred and installment shares of firms to the directors, the staff and the retired individuals of the same firm, observing other conditions stated hereunder:

- a. The employed directors and staff or the officers (the official or contract personnel) of divestible firms, and also directors and staff of divestible firms who are officers 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 officers, whom payment of the insurance premium or their superannuation payment are deducted from the source of mission, are not entitled to divest the shares. 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 sold 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. Other Cases:

- 3.1. The Envelopes containing bids shall be opened at 2 pm on Tuesday (20, July 2010) in the conference hall of the IPO, located in fifth floor, 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 and to represent the guarantee documents (in installment transactions), 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 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) 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 firm, the applicants may refer to Room No. 309 located at Divestiture and Supporting of Investment Management Department of IPO located at the above address, until Saturday (18, July 2010).

IPO Website: www.ipo.ir