

**NOTICE FOR DIVESTITURE OF SHARES
BY THE IRANIAN PRIVATIZATION ORGANIZATION
"THROUGH THE NEGOTIATION"**

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 firms to nongovernmental real and legal persons, observing other conditions stated hereunder through the negotiation:

Row	Name of the firm	No. of Divestible Shares				Company's Capital (million Rials)	Total Base Value of Shares in the Latest Ads (Rials)	Guarantee fee to participate in negotiations	Ownerships & Percentage	Company's type of activity	Address	Name of the Newspapers & Previous Ads Date
		Divestible Shares as Block	Preferred & Installment Shares	Total	Total Percentage							
1	Earth Sciences Development	257,352	13,544	270,896	37	7,309/15	7,542,286,432	75,422,864	<ul style="list-style-type: none"> • Geological Survey of Iran 37% • Credit unions of Geological Survey 7% • Other Shareholders 56% 	Preparation & implementation of engineering projects on all the related affairs to earth sciences development & exploration of mineral deposits & etc.	No. 24, Opposite Moallem Training Complex, Tohid5 St., Phase 7, Shahrak-e Gharb, Tehran	Iran & JameJam 2010/11/20 2010/11/27 2011/02/08 2011/02/15
2	Kermanshah Pakmayeh	19,596,600	1,031,400	20,628,000	45/267	45,570	15,388,488,000	153,884,880	<ul style="list-style-type: none"> • IDRO 45.267% • Iraj Fakhamzadeh 45.611% • Parvin Rezaei 4.561% • Other real persons 4.561% 	Production of dough & leaven, Purchasing of raw materials, selling the product; Machinery, Spare Parts & required raw materials importation & etc. (during the level before the operation)	Phase 1, Islam Abad industrial city, km 5 Islam Abad- Kermanshah Rd.	Iran & JameJam 2010/10/25 2010/11/01 2011/02/05 2011/02/12
3	Saipa Logistics Transport Co.	46,550,000	2,450,000	49,000,000	49	100,000	67,718,000,000	677,180,000	<ul style="list-style-type: none"> • Islamic Republic of Iran Railways 49% • Saipa 51% 	Movement & transportation of different kinds of cargo, goods & passengers by Rail transportation	Special Karaj Rd., km 14, Southwest side of Logistic building	Iran & JameJam 2010/05/23 2010/05/31 2010/08/25 2010/09/14 2010/11/08 2010/11/15

1. Conditions of Divesting & Manner of Participating in Negotiation:

1.1. The applicants must submit their offers regarding the whole divestible shares.

- 1.2. Number of the allocated preferred shares shall be deducted from the divestible shares through the negotiation. The remained shares, then, shall form the basis of the transaction price.
- 1.3. 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% -.
- 1.4. The applicants may receive the agreement forms of prohibiting revealing the information, requesting to participate in negotiation, the company's financial information and the letter of introduction to visit the firm (until 09, May 2011) from IPO main office, located in Room No. 502, 5th floor, No. 75, North Zarafshan St., Ivanak Ave., Phase 4, Shahrake Qods, Tehran.
- 1.5. The applicants must complete and deliver the application form along with the necessary documents (until 10, May 2011) through the PO Box No. 14665-516 or room No. 402 located at IPO.
- 1.6. If negotiations result in agreement and after approval of Divesting Board, transfer of the shares shall be carried out according to the mutual contract. The agreement model, the power of attorney and the guideline of monitoring mode after divesting are available at the IPO. The purchasers are required to adhere to the provisions of these documents and as far as the IPO is concerned, the participation in the negotiation means enjoying the necessary knowledge and acceptance to adhere to the contents of the same.
- 1.7. 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 conditions, the priority of conclusion of the contract is bestowed upon the cooperative companies.
- 1.8. Cash purchasing has priority. In installment transactions, the shares certificates equivalent the remained installment of traded shares will be kept by the IPO as collateral, until the payment of the shares' price is completed.
- 1.9. The previous purchasers of installment block shares from IPO, who have not paid their installment based upon their contract, are not allowed to purchase the shares again or to attend in the negotiation, 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.

1.13. Considerable for the applicants of Kermanshah Pakmayeh Company shares:

Under the Civil Partnership Agreement, the land purchased from Kermanshah Industrial City is in Keshavarzi Bank mortgage.

***Attention:** The necessary documents to participate in negotiation include: a) Bank guarantee in the benefit of IPO as the security of participating in negotiation. b) To be signed agreement containing applicant's commitment to not reveal the information. c) The completed form to participate in the negotiation.

Noticeable for the applicants of Saipa Logistics Transport Company:

- 1- Considering that 245,000 million Rials from 429,500 million Rials of capital increasing belongs to Islamic Republic of Iran Railways Company, and according to the regulations related to General Policies of Principle (44) of the Constitution, the mentioned company is not allowed to participate in capital increasing. So the purchaser must pay the amount of capital increased to the Islamic Republic of Iran Railways, on the conditions contained in Article (3) of special contract No. 87-6475 dated 21, Mar. 2008 signed between Saipa Logistics Transport Company and Islamic Republic of Iran Railways Company as:
 - a) 25,000 million Rials after obtaining full certifications from Chahardangeh Municipality and ... (subject of Article 4 of the mentioned special contract) and when certain transferring of ownership documents in the notary public, b) the remaining on 220,000 million Rials during ten separately three month 22,000 million Rials installments (whole 30 month) which the first installment will be 3 month after the certain transferring of ownership documents.
- 2- The ownership documents of the company's land (Rail payaneh) are not transferred certainly to the company. But during the special contract dated 21, Mar. 2008; the company has bought the mentioned land from Islamic Republic of Iran Railways.

2. Preferred and Installment Shares' Conditions (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 will be sold to the 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 will be sold at the base shares price.
- c. Preferred share will 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 firms' divesting affairs office. 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 will 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. Sending the documents doesn't bind the IPO to divest the shares and conclude the contract. IPO preserves the right to accept or reject all or any of the bids.
- 3.2. IPO will consider the applicant's offers up to 7 days after the last deadline to send the documents. Then, IPO will invite the qualified applicants to negotiate, through the written notification.
- 3.3. In case the winner of the negotiation fails to pay the cash part of the transaction price and conclude the contract, during 30 working days of the notification, IPO has the right to confiscated of warranty in the benefit of itself.
- 3.4. After submission of signed agreement of prohibiting revealing the information, applicants for purchase may visit the firm through the introduction and coordination of IPO.
- 3.5. IPO will conclude the contract of divesting the shares with the winner, during 1 month after announcing the result of the negotiation and introduction of the winner.
- 3.6. The applicants undertake, not to be barred for 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).