

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

By virtue of Powers and assignments of the 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 of Islamic Republic of Iran, Iranian Privatization Organization is considering divesting the State shares of Divestible companies to real and legal persons, observing other conditions stated hereunder by resorting to the negotiation, with the preferred shares at maximum 5 percent of the total divestible shares and installment shares of the other experienced, expert and efficient directors (if any) at maximum 5 percent of the state shares having been deducted:

Name of the Company	company's size	No. of Divestible Shares					Company's Capital (million Rials)	Total Base Value of the Shares in the last previous Advertisement (Rials)	Guarantee amount for Participating in Negotiation (Rials)	Company's Ownership Composition (stockholders)	Company's type of activity	Company's Address
		Divestible Shares as Block	Preferred & Installment Shares	Other managers' shares	total	Total Percentage						
Railway Services and Technical Construction (RSTC)	Large	368,947,773	20,497,098	20,497,098	409,941,969	100	409,942	1,292,956,970,226	12,929,570,000	Islamic Republic of Iran Railways 100%	Production of different kinds of wooden, concrete & metal sleepers ,& All Railroad Track Services	Shahid Meshki Building- Entrance to the motorized plant of RAI-Towards Bahman Square- Chitsazi Crossroads- Be'sat Highway- Tehran-IRAN

1. Conditions & How to Participate in Negotiations, & How to Divest:

- 1.1. The applicants are required to submit their suggestions regarding the total divested shares.
- 1.2. Individuals with cash payment will have the priority in purchasing the shares. Upon the Application of the purchasers to buy on installment, conditions of negotiation for the amount of payment in cash part and repayment in installment period is by applicants' choice.

* Note: In installment sales, the interval between 2 installments is 6 months and the interest rate of sales is equal to 50 percent (50%) of the Bank System Method at industry and mine sector (6%).

- 1.3. The related preferred shares (preferred, installment and other managers' shares) shall be deducted from the divestible shares as negotiation, and the remaining shares, then, shall form the basis for the estimation of the transaction price.
- 1.4. The applicants may receive the agreement forms of prohibiting revealing the information, requesting to participate in negotiation, Company's financial information and the letter of introduction to visit the company (to date 17, Jan. 2010) from IPO, located in Room No. 309, 3rd 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 (to date 18, Jan. 2010) through the PO Box No. 14665-516 or room No. 402 located at IPO.
- 1.6. Applications received by the IPO after the stated date shall be invalid.
- 1.7. If negotiations result in agreement, Transfer of the shares shall be carried out according to the mutual contract. The Agreement Model and the Power of Attorney 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.
- 1.8. According to Note 4, clause 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 conclusion of the contract is bestowed upon the cooperative companies.
- 1.9. When the transaction price is to be paid in installments, equivalent the rest installment of the shares in trade, the shares certificates shall be kept by the IPO, until the payment of the share price is completed.
- 1.10. The purchasers are charged with avoidance of some measures related to competition monopoly on the basis of type of the firm or divestible shares. This issue shall be inserted in the divesting contract.

Notice: Necessary documents to participate in negotiation include: a) Bank guarantee in favor of IPO as 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.

2. Preferred and Installment Shares' Conditions:

By virtue of the bylaw of Note3, clause 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 shares of firms to the directors, the staff and the retired individuals of the same firm and also maximum five percent (5%) of the shares of above firms to the other experienced, expert and efficient directors under the title of preferred shares and as installment:

2.1. Preferred and Installment sales of shares to directors, staff and retired individuals of the same firm

- a. The directors and the staff or the officers (official or contract) of firms are subject to transfer, and also directors and staff of firms who are official in other firms and they have at least one year of experience in the related field and also their 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 source of mission, aren't entitled to ceding shares. Each qualified individual and each staff member of the investee firms where more than 50 % of their investment belongs to the transferable firm can enjoy the preferred shares (if they request).

* Note1: Ceding the shares to the directors and the staff has higher priority; if after ceding shares to them there were transferable shares of firm, on condition that the retired individuals of the same firm have not received the justice shares, they shall be entitled to the above-mentioned shares. It is not permitted to use the benefits of justice shares and preferred shares simultaneously.

- b. The amount of the allottable preferred shares to the qualified individuals is (maximum) tenfold of the six-month old average of the applicants' last received wages and benefits (based on the Payment Ordinance) which shall be at the base shares prices.
- c. Preferred shares shall be transferred only by written request of the applicants. Individuals qualified to purchase the preferred shares are required to submit within 30 days of the publication of the first notice or the sending of a letter from IPO to the transferable firm to

announce the notice, their request in this regard, along with the complete list including the details of the purchasers certified by the related firm and the corresponding branch of the Social Security Organization, as well as the contract sheets to the Manager of the Divestiture and Supporting of Investment Department of the IPO. Where there is received no application for purchasing the preferred shares or acquiring the whole shares to the provisioned ceiling demanded, rest of the said shares shall be added to the blocked divestible shares under other related regulations.

* Note2: It is the managing director's and the board of directors of the transferred firm's responsibility to confirm the names and the amount of price cited in the Payment Ordinance of the personnel.

2.2. Installment sales of the shares to the other experienced, expert and efficient directors

- a Members of the board of directors, managing director and those with similar designations who have at least two years of experience in the field of management (related to the activities of the transferred firm) ,and other high-level managers graduated from university who have at least two years of experience in the Engineering Management (design, supervision and inspection), production and execution(Production Management or Executive Management) and Operations Management(office affairs, sale, commerce, support and finance) on the activity of the transferred firm ;or five years of experience in the counter-balanced management in the firms and similar units or related industries (Economic Sector), based on the last ISIC (International Standard Industrial Classification), according to the approved conditions by the Ceding Board, are subject to receive the above-mentioned shares.
- b The amount of the salable installment shares to the qualified individuals is (maximum) twenty times over the six-month old average of the applicants' last received wages and benefits (based on the Payment Ordinance) which is the base shares' prices.
- c All the qualified applicants included in Paragraph a, Part 2-2 are required to submit within 20 working days of the publication of the first notice, their written request in this regard, along with the mentioned documents by paragraph a and declaration account of 5% of transaction value as deposit, after the confirmation of respective ministry of the company in divest. Otherwise, the above mentioned shares will be sold with the condition of other shares of the firm in divest.
- d The applicants must pay 20% of the transaction value in cash after ratification of the Ceding Board and the confirmation of the IPO (The rest must be paid to the organization during the repayment of the above-mentioned block installments without the interest rate of installment sales).

- e For the purpose of the guarantee of the performance of their obligations, while the directors conclude a ceding contract, they must adjust the official irrevocable attorney based upon vesting the powers of sale or transfer of the shares, any way or in any price, in the IPO and submit it to the IPO.

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

3.1. The qualified purchasers of the Controlled Shares (the least number of shares to determine the majority of the board of directors' members) of Shahid Beheshti Agro-Industry Company (row1) who increase the staff numbers above the mentioned in the Ceding document during the period of installment, or resort to train and recruitment of extra workforces of other privatized companies in their units, shall enjoy the financial or non-financial incentives as mentioned in the guideline number 63/2/206295 (dated 7, Apr. 2009).

3.2. The qualified purchasers shall separately enjoy three types of financial incentives: discount in the original transaction price (at least 5%), minimization of the benefit of sales by installment (maximum 30%) or time discount (maximum 2 years without the interest rate of installment sales).

* Note: Granting the financial or non-financial incentives shall be in the case of presenting the program in writing for maintaining and promotion of the level of occupation and training of the staff of the company. Also, when the average annual of the staff of the company increases after ceding, concerning the mentioned number in the Ceding document (with respect to the substituted individuals instead of the retirement and severance individuals during the years after ceding), using the financial incentives in paragraph (3-2) is possible provided that lay-off of the employees will not never exceed ten percent (10%) during reviewed period.

3.3. If the qualified purchasers of the Controlled Shares do the fresh investment in the same company, promotion of efficiency and productivity of the company, continued production and upgrading its level, promoting technology and fixing employment in the Ceding firm shall be enjoyed the discounts of the guideline of The way the commitments are received, inclusion of the conditions and granting the discounts by the Ceding Board (dated 11, Mar. 2009), including discount in the original price, minimization of the benefit of sales by installment (maximum 100% of benefit of sales by installment) and time discount (it means taking steps to revise the contract time resulting from lengthening of during the repayment of the installments),(maximum 4 years without the interest rate of installment sales).

4. Other Cases:

- 4.1. 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.
- 4.2. IPO shall consider the applicant's offers up to 7 days after the last deadline to send the documents. Then, IPO shall invite the qualified applicants to negotiate.
- 4.3. In case the winner of the negotiation fails to pay the cash part of the transaction price and to conclude the contract, during 30 working days of the notification, IPO has the right of confiscation of warranty in favor of itself.
- 4.4. After submission of signed agreement of prohibiting revealing the information warranty, applicants to purchase may visit the company with introduction and coordination of IPO.
- 4.5. IPO shall conclude the contract of divesting the shares with the winner, during 1 month after announcing the result of negotiation and introduction of winner.
- 4.6. The applicants undertake not to be prohibited from 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).

It's mentionable that the previous advertisements of selling the shares of Railway Services and Technical Construction (RSTC) are published for the first time in Iran and Jam-e-Jam newspapers dated, (26, Apr. 2009)and (3, May 2009); and for the second time in Hamshahri and Jam-e-Jam newspapers dated (16, June 2009) and (24, June 2009); and for the third time in Iran and Hamshahri newspapers dated (16, Sept. 2009) and (23, Sept. 2009).

IPO Website: www.ipo.ir