

SAPCO'S PROFILE



**SUPPLYING AUTOMOTIVE PARTS CO.
(SAPCO)**

SAPCO'S PROFILE

I FIELD OF ACTIVITY :

DESIGN ENGINEERING AND SUPPLYING
OF AUTOMOTIVE PARTS

I START OF OPERATION :

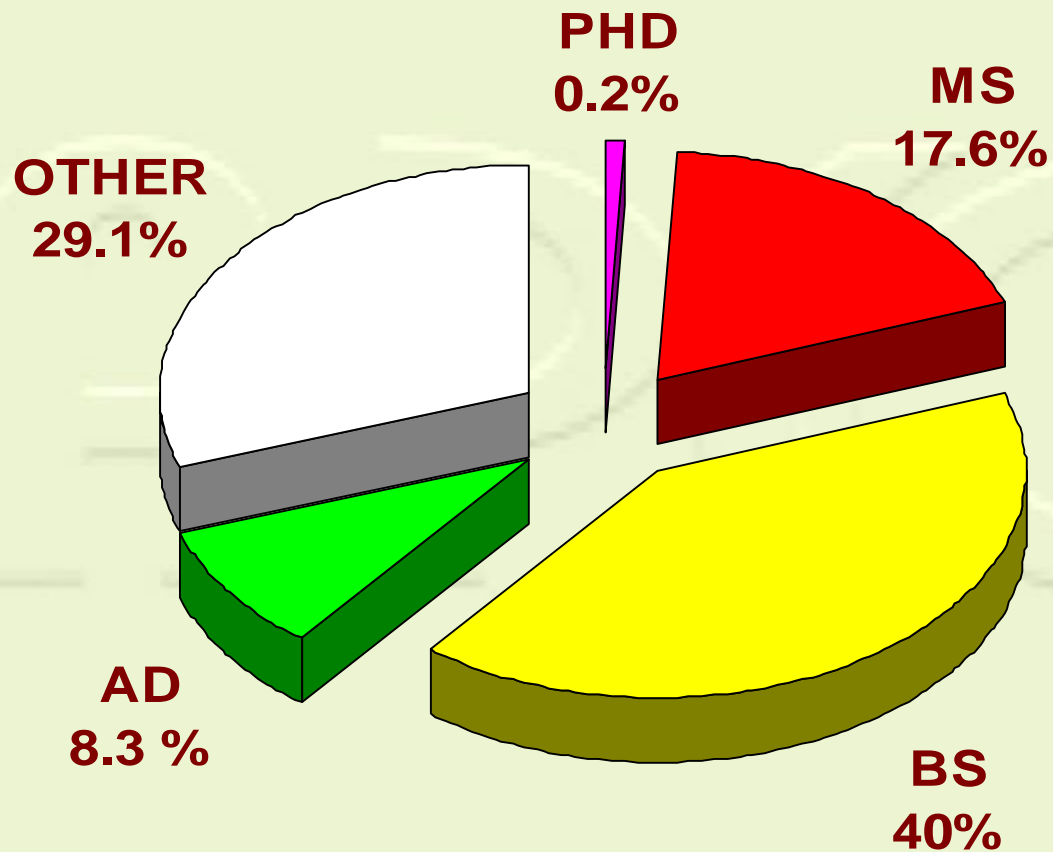
MAR. 1994

I NO. OF EMPLOYEES :

1438 PERSONS (77% HOLDERS OF
UNIVERSITY DEGREES AS OF MAR. 2008)

SAPCO'S HUMAN RESOURCES Mar,2008

EDUCATION



SAPCO'S PROFILE

| SUPPLY CHAIN 500 CO.

| DIRECT & INDIRECT EMPLOYMENT :

150000 PERSONS

| AUTO PARTS LOCAL CONTENT LEADER

| RANKED NO. 6 AMONG TOP 100 IRANIAN

COMPANIES BASED ON SALES VALUE , 2007

SAPCO'S DEVELOPMENT IN 2000s

- I INTEGRATION OF IRAN KHODRO'S PURCHASING DIVISION IN SAPCO**
- I ORGANIZATIONAL RESTRUCTURE TO PROJECT MANAGEMENT BY PRODUCT BRAND**

SAPCO'S QUALITY JOURNEY

I ACHIEVEMENT OF INTERNATIONAL QUALITY MANAGEMENT

CERTIFICATES :

è ISO 9002 IN 1995

è ISO 9001 IN 1997

è ISO\IEC 17025 IN 2001 (SAPCO'S LABORATORY) FROM DAP INSTITUTE(GERMANY)

è ISO 9001 VERSION 2000 IN 2003

è CERTIFICATION OF IMS (INTEGRATED SYSTEM) IN 2007 WHICH INCLUDES :

- ISO 9001 : 2000 (QUALITY MANAGEMENT SYSTEM)

- ISO14000 : 2004 (ENVIRONMENTAL MANAGEMENT SYSTEM)

- OHSAS 18001 : 1999 (OCCUPATIONAL HEALTH & SAFETY ASSESSMENT SERIES)

è IRANIAN NATIONAL PRODUCTIVITY AND BUSINESS EXCELLENCE AWARD

- COMMITTED FOR EXCELLENCE 2004

- RECOGNISED FOR EXCELLENCE 2005

- ONE OF THE TWO AWARD WINNERS (LEVEL 3) 2006

- ONE OF THE 4 AWARD WINNERS (LEVEL 3) 2007

è EUROPEAN AWARD EFQM : RECOGNISED FOR EXCELLENCE JUL,2005

è EUROPEAN AWARD EFQM : RECOGNISED FOR EXCELLENCE Dec,2008 : R4E5* AWARD

SAPCO'S CAPABILITIES

- | **DESIGN ENGINEERING DEPT. :**
 - .PRODUCT ENGINEERING
 - .ASSEMBLY WORKSHOP
- | **QUALITY ENGINEERING DEPT. :**
 - .SUPPLIERS ASSESSMENT
 - .METHODS
 - .QUALITY ASSURANCE
- | **LABORATORY**
 - . ISO\IEC 17025 IN 2001 (SAPCO'S LABORATORY)
FROM DAP INSTITUTE(GERMANY)
- | **RESEARCH CENTER :**
 - . CAE
 - . ENGINE TEST CENTER
 - .MATERIAL RESEARCH
- | **RESEARCH & TECHNOLOGY DEVELOPMENT CENTER**
- | **PRODUCTION ENGINEERING DEPT.:**
- | **CAD/CAM**
- | **PRODUCT ENGINEERING WORKSHOPS :**
 - . CMM
 - . RAPID PROTOTYPING
- | **PROCESS ENGINEERING**

SAPCO'S CAPABILITIES

**I LABORATORY , IMPLEMENTING VARIOUS TESTS
ACCORDING TO INTERNATIONAL STANDARDS**

CONSISTING OF :

- POLYMER**
- METALLURGY**
- CHEMICAL**
- ELECTRICAL**
- PHYSICAL & MECHANICAL**
- CALIBRATION**

**I ISO\IEC 17025 CERTIFICATE , FEB. 2001 FROM
DAP INSTITUTE GERMANY**

SAPCO'S CAPABILITIES

I TRAINING CENTER, PROVIDING:

I MBA COURSES

I SEMINARS

I SHORT TERM & LONG TERM COURSES

I PUBLICATIONS

I MONTHLY AUTO MAGAZINE

SAPCO'S SUPPLY CHAIN MANAGEMENT

I SOURCING :

- u AROUND 4000 LOCAL MANUFACTURERS IDENTIFIED

I ASSESSMENT & GRADING (MAR, 2009) :

- u 57 GRADE A
- u 304 GRADE B
- u 43 GRADE C
- u 288 ISO CERTIFICATES
- u 67 COMPANIES QS 9000

SAPCO'S IMPORTANT PROJECTS

- | **EFQM**
- | **TQM**
- | **JIT**
- | **SQA**
- | **SPC**
- | **MODULARIZATION**
- | **SUPPLIERS' TIERING**
- | **PRODUCTIVITY ENHANCEMENT**
- | **SUPPLIERS' QUALITY UPGRADING**

SAPCO'S SUPPLIERS UPGRADING

Year	QS	ISO	Grade				Under Assessment	Total
			A	B	C	D		
1993	0	0	0	0	0	0	126	126
1994	0	0	2	22	35	15	160	234
1995	0	3	5	73	129	22	81	310
1996	0	8	8	118	221	10	56	413
1997	0	18	10	144	244	5	69	472
1998	0	27	84	215	163	0	59	521
1999	0	60	135	246	110	0	48	539
2000	9	84	139	298	71	0	37	545
2001*	22	155	2	169	296	10	70	547
2002	35	174	3	301	156	6	52	518
2003	35	173	6	304	152	5	48	515
2004	51	225	30	336	75	0	33	446
2005	51	164	39	338	56	1	31	475
2006	67	290	51	338	54	1	42	486
2007	67	275	58	322	42	0	44	466
2008	67	288	57	304	43	0	50	454

* The reduction in number of A & B grades & the increase in number of C & D grades are due to changes in Sapco's suppliers assessment system in 2001.

SAPCO'S PERFORMANCE

I NO. OF SUPPLIERS:

INCREASED FROM 126 COMPANIES (WITH NO GRADE)

IN 1993 TO 454 (80% GRADE A & B , 288 ISO & 67, QS9000

CERTIFICATES) IN Mar. ,09

I PARTS LOCALIZED :

INCREASED FROM 103 PARTS IN 1994 TO MORE THAN

4200 PARTS IN 2009 (40 TIMES INCREASE)



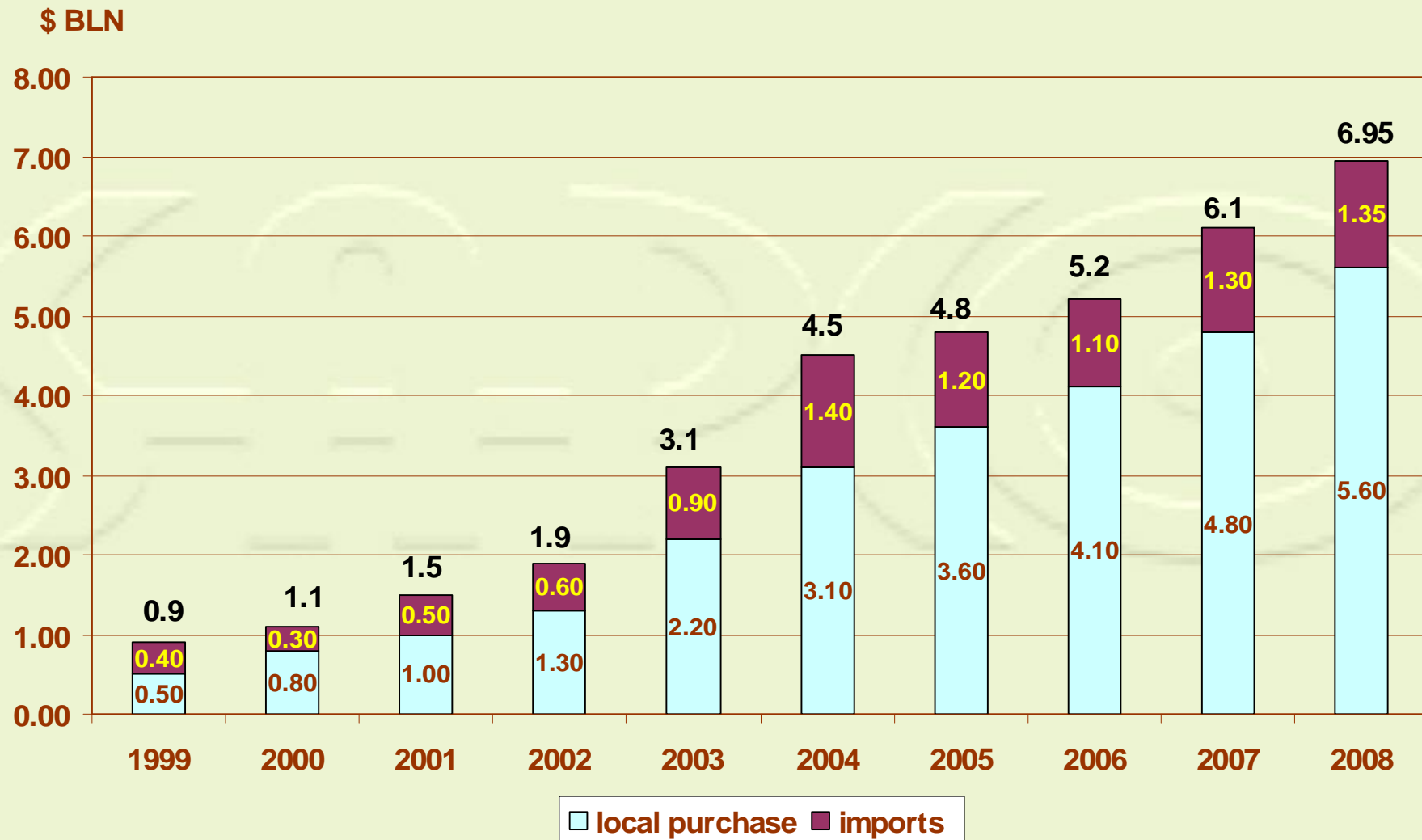
SAPCO'S SALES VALUE LOCAL CONTENT

Year	Net Sales BIL . Rials	Net Sales MIL. \$
1994	110	39
1995	464	114
1996	1019	229
1997	1645	344
1998	2266	350
1999	3455	399
2000	5595	699
2001	6856	856
2002	9935	1243
2003	17188	2024
2004	25487	2800
2005	30633	3400
2006	35416	3850
2007	41780	4541
2008	49000	5326
2009 *	57000	6000

* forecast



TOTAL PROCUREMENT



Sapco's local supply chain foreign cooperation By Country MaY,2008

Row	COMPANY	NO. OF COOPERATION
1	FRANCE	60
2	GERMANY	37
3	KOREA	17
4	SPAIN	7
5	TAIWAN	5
6	TURKEY	6
7	ITALY	7
8	ENGLAND	7
9	JAPAN	5
10	INDIA	4
11	CHINA	2
12	BELGIUM	1
13	MALAYSIA	1
14	FINLAND	1
16	SWISS	1
17	RUSSAIA	1
18	PORTUGAL	1
19	BRAZIL	1
20	SOUTH AFRICA	1
21	SLOVENIA	1
22	AUSTRIA	1
TOTAL		167

TYPE OF COOPERATION MAY,2008

JV.	25
J.V (IN PROCESS)	3
LICENCE	100
LICENCE (IN PROCESS)	0
OTHERS	39
TOTAL	167

INTERNATIONAL TRADE TRENDS

I WTO

I GLOBALIZATION

I EASE OF CAPITAL TRANSFER

I EXPANSION OF COUNTRIES &
COMPANIES COOPERATIONS

OPPORTUNITIES FOR MUTUAL COOPERATIONS

- I IRAN AS CENTER FOR PRODUCTION AND EXPORT OF THE REGION**
- I EXISTING POTENTIAL FOR INVESTMENT, PRODUCTION, AND DEVELOPMENT**
- I EXTENSIVE OPPORTUNITIES COULD BE GENERATED FOR MUTUAL COOPERATIONS**
- I GOOD PERFORMANCE OF BOTH COUNTRIES AUTO INDUSTRY SPECIALLY AUTOMOTIVE PARTS**

WAYS TO PROMOTE COOPERATIONS

- I **HOLDING SEMINARS, JOINT MEETINGS, TRADE DELEGATIONS, EXHIBITION PARTICIPATIONS**
- I **IDENTIFY AND FULLY UTILIZE THE POTENTIAL CAPABILITIES OF TWO COUNTRY'S AUTOMOTIVE INDUSTRY**
- n **FACILITATE AND QUICKEN INTERCHANGE OF INFORMATION AND COOPERATION BETWEEN COMPANIES**
- I **ENCOURAGE TO REACH CONCRETE AGREEMENT IN A FRIENDLY ATMOSPHERE**

EXPECTATIONS FROM FOREIGN PARTNERS

I *ASSIST IRANIAN AUTOPART MANUFACTURERS TO :*

- U ACHIEVE LOCAL CONTENT PROGRAM

- U PRODUCE ACCORDING TO INTERNATIONAL STANDARDS

- U EXPAND EXPORT

- U ACHIEVE TRADE BALANCE

- U INTEGRATE THEM IN THEIR INTERNATIONAL

PRODUCTION & DISTRIBUTION NETWORKS



List of Sapco's local supply chain foreign cooperations

ROW	IRANIAN COMPANY	FOREIGN COMPANY	COUNTRY	TYPE OF COOPERATION	PARTS & COMPONENTS	START OF COOPERATION
1	AHANGARI NOVIN	CONTITECH	FRANCE	LICENCE	PEUGEOT & SAMAND BREAK HOSES	2005
2	AHANGARI NOVIN	CONTITECH	GERMANY	LICENCE	HIGH PRESSURE TUBE & PUMP	2006
3	AHANGARI NOVIN	CONTITECH ANOFLEX SAS	GERMANY	LICENCE	PEUGEOT 206,405, R2 \$EF7 HYDROLIC BREAK HOSES	2005
4	AHANGARI NOVIN	FREUDEN BERG	FRANCE	LICENCE	PEUGEOT & SAMAND BREAK HOSES	2000
5	AKHSHAN	AUTOLIVE	TURKEY	LICENCE	SEAT BELT 206	2001
6	ARYAN DID GOSTAR	DOGA	SPAIN	TECHNICAL COOPERATION	PEUGEOT 405 , 206 WINDOW WIPER	2004
7	ARYAN SANAT	MAKO	FRANCE	LICENCE	PEUGEOT 405 , 206 ALTERNATOR	2003
8	ASE	SUNG HILL	KOREA	TECHNICAL COOPERATION	HORN	2005
9	ATI MOTOR	MAKO	TURKEY	LICENCE	PEUGEOT AND SAMAND WINDOW WIPER MOTOR	2002
10	AZIN KHODRO	ANTOLYN	SPAIN	TECHNICAL ASSISTANT	HEAD LINER	2005
11	AZIN KHODRO	FAURECIA	FRANCE	TECHNICAL ASSISTANT	L90 PARTS	2004
12	AZIN KHODRO(BRONZ)	COTENSA	ITALY	J.V	FLAT REZIN	
13	AZIN TANE	AP LOCKHEED	ENGLAD	LICENCE	BRAKE SYSTEM	1997
14	AZIN TANE	BOSCH	FRANCE	LICENCE	BRAKE SYSTEM	2001
15	BONYAN SANATE AVAL	FAURECIA	FRANCE	LICENCE	PEUGEOT& SAMAND STEERING WHEEL	2000
16	BONYAN SANATE AVAL	NACAM	FRANCE	LICENCE	PEUGEOT& SAMAND STEERING WHEEL	2000
17	BRONZ	FAURECIA	FRANCE	J.V	LOGAN PARTS	2005
18	BRONZ	TEREVERS	FRANCE	J.V	WOOD STACK	2005
19	CABLE KHODRO SABZEVAR	DAEDONG	SOUTH KOREA	TECHNICAL COOPERATION	CLUTCH CABLE 206 & PRIDE CABLE	2003
20	CHASB O ABRE TEHRAN	KOMER LINK	GERMANY	LICENCE	WATER RESISTANT INSULATION	2005
21	CHASB O ABRE TEHRAN	WENZHOUSAMEWAY	CHINA	OFFICIAL DEPUTY	PAPER GUARD (CYLYCON)	2006
22	CROUSE	CONTINENTAL AG	GERMANY	LICENCE	EMS SYSTEM CLUSTER IMOBILIZER SYSTEMS BODY CONTROL MULTIPLEX	2003 1997 2007 2007
23	CROUSE	FICOSA	SPAIN	LICENCE	PEUGEOT 206 MIRRORS	2002
24	CROUSE	LEONI	GERMANY	LICENCE	WIRE HARNESS	1999
25	CROUSE	MANDO	SOUTH KOREA	LICENCE	ABS BREAK SYSTEM -SAMAND	2004
26	CROUSE	VALEO	FRANCE	LICENCE	FUSE BOXES GUID HARNESS BODY CONTROL SWITCHES	1998 1997 2007
27	DIRECT AGENCY	HIDE LOCK	KOREA	LICENCE	HIGH PERSSURE PIPES	2006
28	DORAN	WINNERCOM	KOREA	J.V	ANTENA	2004
29	EGZOZ KHODRO KHORASAN (KEM)	ECOCAT	FINLAND	LICENCE	CATALYST	2005
30	EGZOZ KHODRO KHORASAN (KEM)	FAURECIA	FRANCE	LICENCE	EXHAUST	2004
31	EGZOZ KHODRO KHORASAN (KEM)	J.M	ENGLAD	J.V (IN PROCESS)	CATALYST	2005
32	EGZOZ KHODRO KHORASAN (KEM)	SAFFIL	ENGLAD	TECHNICAL ASSISTANT	CATALYST	2004
33	EGZOZ KHODRO KHORASAN (KEM)	SUD-CHEMIE	GERMANY	TECHNICAL ASSISTANT	CATALYST	2007
34	ELECTRIC KHODRO SHARGH	YAZAKI	JAPAN	LICENCE	WIRE HARNESS	2001
35	EMS CO.(SYSTEMHAYE MODIRIATE ELECTRONIC MOTOR)	VALEO	FRANCE	LICENCE	GASOLINE ECU S2000, CNG INJECTOR FUEL INJECTOR , INTAKE MANIFOLD, FUEL RAIL, TMAP SENSOR, PT SENSOR, GAS ECU SAX 500, GNG RAIL	2006
36	ETEHAD MOTOR	BERU	FRANCE	LICENCE	SPARK PLUG & WIRE	2002
37	ETEHAD MOTOR	BERU	GERMANY	LICENCE	IGNITION WIRING HARNESS	2006

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* : IN PROCESS
STRATEGIC STUDIES & PLANNING DEPT.

List of Sapco's local supply chain foreign cooperations

ROW	IRANIAN COMPANY	FOREIGN COMPANY	COUNTRY	TYPE OF COOPERATION	PARTS & COMPONENTS	START OF COOPERATION
38	ETEHAD MOTOR	EYQUEM	FRANCE	LICENCE	SPARK PLUG	2002
39	ETEHAD MOTOR	FAURECIA	FRANCE	LICENCE	FAN MOTOR	2002
40	ETEHAD MOTOR	VALEO	FRANCE	DESIGNING	LOGAN WINDOW WIPER MECHANISM	2005
41	ETEHAD MOTOR	VALEO	FRANCE	LICENCE	PEUGEOT WINDOW WIPER MOTOR AND WINDOW WIPER	1999
42	FANARLOOL	KERN LEIBRS	GERMANY	J.V	SPRING SEAT BELT	2003
43	FANARLOOL IRAN	ALLEVARD REJNA	FRANCE	LICENCE	SPRINGS- PEUGEOT AND SAMAND	2001
44	FAPSCO(BRONZ)	FAURECIA	FRANCE	J.V	LOGAN SEATS	2006
45	FARA KOLON	VALEO	FRANCE	LICENCE	DOOR LOCKS	2001
46	FARA TECHNIC	DURA	FRANCE	J.V (IN PROCESS)	WINDOW WINDER-CONTROL CABLE	2005
47	FARA TECHNIC QESHM	TRW	FRANCE	LICENCE	BRAKE SYSTEM	2003
48	FARAVARI VA SAKHT	MAYSAN	TURKEY	LICENCE	SHOCK ABSORBER	2005
49	FEYZE GHADIR	JOHNSON-GATE	ITALY	LICENCE	FAN MOTOR 405;206	2002
50	FOMAN SHIMI	BOSAL	BELGIUM	J.V	EXHAUST	2005
51	G.G.S	BOSCH	GERMANY	LICENCE	DC MOTOR & FUEL PUMP	2004
52	G.G.S	TI	FRANCE	LICENCE	DC MOTOR & FUEL PUMP	2005
53	GHATAATE MEHVARI KHORASAN	WIA	KOREA	LICENCE	CV JOINT SAMAND, 405, PARS , EF7	2008
54	GHATE SAZANE SINA	DURA	FRANCE	J.V (IN PROCESS)	PEDAL, GEAR LIVER, LOCKS	2005
55	GHATE SAZANE SINA	TELEFLEX	FRANCE	LICENCE	ASSED. GEAR CHANGE RELAY LEVER	2001
56	GOHAR BAFAN	MICHEL THIERRY	FRANCE	LICENCE	SEAT COVER	2007
57	GOSTARESH GHATE MILAD	UNS	ITALY	TECHNICAL COOPERATION	ENGINE GEAR BOX	2004
58	HONARVARZ	SIMOLDES	PORTUGAL	J.V	LOGAN PARTS	2003
59	IKAFCO	MGI	FRANCE	LICENCE	FUEL PIPES	2003
60	IMAN KHODRO SHARGH	JIN HENG	CHINA	MARKETING	AIR BAGS	2007
61	IPACO	BORG	GERMANY	LICENCE	CLOCK	2003
62	IPACO	JOHNSON CONTROL	FRANCE	LICENCE	CLUSTER	2000
63	IPACO	MAG	FRANCE	LICENCE	ANTENA	2001
64	IRAN DELCO	INTERKER INTERKAT	GERMANY	SUPPLIER	CATALYST	2005
65	IRAN SAINA	KIEKERT	GERMANY	LICENCE	PEUGEOT 405, 206 LOCKS	2000
66	IRAN SAINA	RAYMOND	FRANCE	J.V	POLYMER PARTS	2005
67	IRAN TOHID	MAGNI EUROPE	FRANCE	LICENCE	ZINC FLAKE COVER	2004
68	IRAN TOHID	OMNI TECHNIK	GERMANY	LICENCE	THREAD LOCK	2003
69	ISKERA AUTO ELECTRIC	ISKRA	SLOVENIA	J.V	PEUGEOT 405 START & ALTERNATOR	1998
70	JAM SAZ	AXO	FRANCE	LICENCE	PEUGEOT 206 BACK LIGHT	2001
71	JENERALCAB PARS	JENERAL CAB	ITALY	J.V	FAN MOTOR 405;206	2006
72	KAMKAN	DORKEN	BELGIUM	LICENCE	NUTS & BOLTS & DUCK COATING	2008
73	KAUMAH SCHMITTER , MP CORP	KOMA M P SANATE ABHAR	SOUTH KOREA	J.V	HYDROLIC BREAK HOSES, CNG PIPE	2007
74	KHODRO BADPA	FAURECIA	FRANCE	TECHNICAL COOPERATION	LOGANL90 PARTS	2005
75	KIMIA MOTOR	CASTELLON SA.	SPAIN	LICENCE	CLUTCH CABLE 206	2004
76	KOBAN KAR (PICHESHE FOLAD)	SHAMROCK	JAPAN	LICENCE	DUCK COATING	2002
77	KOBAN MOBADEL FARD	CANTI NENTAL	GERMANY	SUPPLIER	INSULATION	2006
78	KOBAN MOBADEL FARD	GAT	GERMANY	LICENCE	CATAYST CKD	2005
79	KOBAN MOBADEL FARD	JOHNS MATTHYS	ENGLAD	SUPPLIER	CERAMIC	2005
80	KOBAN MOBADEL FARD	POHANG WORKS	SOUTH KOREA	SUPPLIER	STEEL SHEETS SUS304 , SUS409	2006
81	KOBAN MOBADEL FARD	SK NET WORK	SOUTH KOREA	SUPPLIER	ALOMINAZ SHEETS	2006
82	KOBAN MOBADEL FARD	UNIFRAX	GERMANY	SUPPLIER	ISOMAT INSULATION	2005
83	MAJD	MAGNETI MARELLI	FRANCE	LICENCE	CLUSTER	2002

List of Sapco's local supply chain foreign cooperations

ROW	IRANIAN COMPANY	FOREIGN COMPANY	COUNTRY	TYPE OF COOPERATION	PARTS & COMPONENTS	START OF COOPERATION
84	MEHRCAM PARS	FAURECIA	FRANCE	LIGENCE	POLYMER PARTS-DASHBOARD	2006
85	MEHRCAM PARS	VALEO	FRANCE	J.V	HVAC405	2004
86	MEHRCAM PARS	VALEO	FRANCE	LIGENCE	HEATER	2006
87	MODERN	VALEO	FRANCE	LIGENCE	PEUGEOT 206 FRONT LIGHT	2002
88	MOJDE VASLE SHIRAZ	MECA PLAST	FRANCE	LIGENCE	AIR FILTER & MANIFOLD 206 , 405	2005
89	MOJDE VASLE SHIRAZ	MEGA PLAST	FRANCE	J.V	DEGASSING BOX	2003
90	MOJE NIKAN	ALPIN	JAPAN	LIGENCE	RADIO CASSET PLAYER	2002
91	MOJE NIKAN	HYUNDAI	KOREA	LIGENCE	RADIO CASSET PLAYER	2003
92	MOJE NIKAN	L.G	KOREA	LIGENCE	RADIO CASSET PLAYER	1995
93	MOJE NIKAN	SIEMENS	FRANCE	LIGENCE	RADIO CASSET PLAYER	2005
94	NABANE QESHM	ALGO	ITALY	LIGENCE	WINDOW WINDER	2003
95	NIKAN PLASTIC	PEUGEOT	FRANCE	MARKETING	BASKET	
96	NIROO MOHAREKE	DHB	BRAZIL	MARKETING & TECHNICAL ASSISTANT	ROA & SAMAND GEAR BOX	2007
97	NOOR ISTA PLASTIC	FAURECIA	FRANCE	LIGENCE	TRAY FAN - PEGEOT 206	2007
98	ORAND PLASTIC	TI	FRANCE	LIGENCE	DC MOTOR & FUEL PUMP	2007
99	PARS BEHIN SYSTEM	ECW	SOUTH AFRICA	J.V	WIRE HARNESS	2001
100	PARS ELECTRIC	CLARION	FRANCE	LIGENCE	RADIO CASSET PLAYER	2003
101	PARS ELECTRIC	DEAWOO	KOREA	LIGENCE	RADIO CASSET PLAYER	1998
102	PART LASTIC	COOPER STANDARD	FRANCE	LIGENCE	INNER WEATHER STRIP	2002
103	PART LASTIC	HUTCHINSON	FRANCE	LIGENCE	PLASTIC ROBER HOSE FUEL	2005
104	PART LASTIC	METZELER	FRANCE	LIGENCE	L90 INNER WEATHER STRIP	2005
105	PART LASTIC	PAULSTRA	FRANCE	LIGENCE	MONTING	2006
106	PARTO NAB	ELECTROPHILE	FRANCE	LIGENCE	IGNITION WIRING HARNESS	2000
107	PAYA CLUTCH	VALEO	TURKEY	LIGENCE	DISC & CLUTCH	2000
108	PEIVAND GHATAAT ARYAN	FREUDENBERG MILLOR	GERMANY	SUPPLIER	CYLINDER HEAD GASKETS	2002
109	PEIVAND GHATAATE ARYAN	FRODONBERG	GERMANY	LIGENCE	SEAL RINGS	2006
110	PEIVAND SANATE PISHRO	OMAX AUTOS	INDIA	J.V	SEATS	2006
111	PEIVAND TOSE	GLACIER	ENGLAD	SUPPLIER	TEFLON BUSHING	2002
112	PEIVAND TOSE	ILJIN	SOUTH KOREA	LIGENCE	SAMAND DOOR CHECKS	2004
113	PEIVAND TOSE	KWANGJIN	SOUTH KOREA	LIGENCE	WINDOW WINDER 206, 405 & SAMAND	2004
114	PEIVAND TOSE	LOSAL	SPAIN	SUPPLIER	HINGE PROFILE	2002
115	PEIVAND TOSE	WERCS	TAIWAN	SUPPLIER	BOLTS	2002
116	PISHROVAN TOSE SANAT IMAN	HARTMAN	GERMANY	MARKETING	FIRST AID BOX	2006
117	PISTON IRAN	MAHLE	GERMANY	LIGENCE	PISTON RINGS	2004
118	PISTON SAZAN TOOS	KOLDEN SCHMIT	GERMANY	LIGENCE	PISTON RINGS	2006
119	PISTON SAZAN TOOS	RICKEN	JAPAN	SUPPLIER	PISTON RINGS	2006
120	PLASTIC ABHAR	WETEC	TAIWAN	PURCHASING&MANUFACTURING	ROBATS FOR INJECTION MACHINES	2005
121	PROZEN (AZIN KHODRO)	PROTA	SPAIN	J.V	RAW MATERIAL	2006
122	RAD FARMAN	DELPHI	FRANCE	LIGENCE	STERING WHEEL HYDRULIC PUMP	2005
123	RAIKA ALTON TASME	KENTITECH	GERMANY	J.V	TIMING	2007
124	RING KHODRO PARS	ZC	FRANCE	SUPPLIER	PISTON RINGS	2006
125	RING VA SPORT NOOR NEIRIZ	RONAL	GERMANY	LIGENCE	SPORT RINGS	2004
126	SA IRAN	FEINTOOL	SWISS	LIGENCE	FINE BLANK	2003
127	SABOORI	LISI	FRANCE	LIGENCE	PLASTIC FASTENER	2006
128	SANAYE HIDROLIC IRAN	HANIL PRCISION	SOUTH KOREA	LIGENCE	GAS SHOCK ABSORBER	2005
129	SANAYE HIDROLIC IRAN	YOUNG SHIN	SOUTH KOREA	LIGENCE	STERING WHEEL HYDRULIC PUMP	2000
130	SANDAN IRANIAN	BEHR	GERMANY	J.V	HVAC 206	2002
131	SANDAN IRANIAN	SANDEN	JAPAN	J.V	A/C , HVAC 406	2004

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List of Sapco's local supply chain foreign cooperations

ROW	IRANIAN COMPANY	FOREIGN COMPANY	COUNTRY	TYPE OF COOPERATION	PARTS & COMPONENTS	START OF COOPERATION
132	SAPCO	SILVATRIM	FRANCE	PART SUPPLYING	PEUGEOT 206 DOOR INNER WEATHER STRIP	2004
133	SAPCO	STABILUS	GERMANY	PART SUPPLYING	LIFT BACK SHOCK ABSORBER	2004
134	SARE KALA	KLG	ENGLAD	LICENCE	SPARK PLUG	1991
135	SAZE POYESH	BOSCH	GERMANY	LICENCE	EMS FOR PEUGEOT PARS	2007
136	SAZEH POYESH	BENTLER	GERMANY	LICENCE	FUEL RAIL	2006
137	SEPEHR ILIA	MGI COITER ILIA	FRANCE	J.V	OIL INLET CAP, AIR INTAKE, NOZZLE, AIR FILTER, INTAKE, AIR FILTER BOX & AIR INLET NECK	2006
138	SERAJE NOOR TOOS	TYC	TAIWAN	J.V	LIGHT AND MIRROR	1996
139	SHADRO MASHIN	BOSCH	GERMANY	LICENCE	PEUGEOT 206FRONT WINDOW WIPER	2003
140	SHAHAB SHAMS	GROUP ANTO LIN	SPAIN	LICENCE	WINDOW WINDER	2003
141	SHAHAB SHAMS & LOLO GROUP	DURA	ENGLAD	TECHNICAL COOPERATION	CONTROL CABLE	2006
142	SHAHAB SHAMS IRMA	APMI	MALAYCIA	J.V	WIRE HARNESS	2001
143	SHAME NOOR	BOSCH	GERMANY	LICENCE	SPARK PLUG	2007
144	SHAYAN KAV	WIEHENG CUB ELECTPARTS (VEISHENG)	TAIWAN	LICENCE	DOOR LOCKS	2003
145	SHENAP	ZF	GERMANY	LICENCE	PIN BALLS	2003
146	SHETABKAR	GKN	FRANCE	LICENCE	CV JOINT 206	2006
147	SHETABKAR	GKN	GERMANY	LICENCE	CV JOINT 405	1997
148	SHETABKAR	KANKA	TURKEY	SUPPLIER	CONRAD	1997
149	SHETABKAR	KOFCO	KOREA	LICENCE	CV JOINT	2005
150	SOKHTE AMA	SALERI	ITALY	J.V	WATER PUMP	2006
151	STAM SANAT	VALEO	FRANCE	LICENCE	START& ALTERNATOR	2000
152	TANIN TONDAR	ELLITECH	TAIWAN	LICENCE	SWITCHES AND FUSE BOX	2003
153	TANIN TONDAR	FER	GERMANY	LICENCE	PEUGEOT 405 & 206 HORNS	2003
154	TOBA ELECTRIC	VALEO	FRANCE	LICENCE	COIL IGNITION	2004
155	TOKLAN TOOS	FTE (FAG)	GERMANY	LICENCE	BRAKE SYSTEM	1994
156	TOKLAN TOOS	TEVES (ATE)	GERMANY	LICENCE	ABS BREAK SYSTEM PARS & SAMAND	2001
157	TOOS VASHER	VICTOR	GERMANY	J.V	1- CYLINDER HEAD GASKETS(T.A) 2- SHILD HEAD (J.V)	2005 2006
158	UFO ELECTRONIC	CARTIER	FRANCE	LICENCE	RELAYS	1996
159	VALA GHATE	INA	GERMANY	LICENCE	RETRACTOR ROLLER	2006
160	VALEO ARMCO	VALEO	FRANCE	J.V	COOLING RADIATOR	2006
161	YATAGHAN BOSH	BIMETAL BEARING	INDIA	SUPPLIER	RAW MATERIAL	2000
162	YATAGHAN BOSH	GABRIEL	INDIA	SUPPLIER	RAW MATERIAL	2000
163	YATAGHAN BOSH	KIRLOSKAR	INDIA	SUPPLIER	RAW MATERIAL	2000
164	YATAGHAN BOSH	MIBA	AUSTRIA	LICENCE	BEARINGS	1997
165	YATAGHAN BOSH	TRIONEURO	ITALY	SUPPLIER	RAW MATERIAL	2002
166	YATAGHAN BOSH	TRIONEURO	ITALY	SUPPLIER	RAW MATERIAL	2005
167	YATAGHAN BOSH	ZMZ BEARING	RASSIA	SUPPLIER	RAW MATERIAL	2002

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LEGAL CORPUS

The legal corpus governing foreign investment in the Islamic Republic of Iran constitutes the Foreign Investment Promotion and Protection Act (FIPPA) and the FIPPA's Implementing Regulations, as well as legislation applicable for the establishment and conduct of economic activities in the country. While the prospective investors are recommended to get full knowledge about the legislation directly related to their interest, they are also advised to get familiar with certain legislation which is fundamental in their daily affairs, such as laws pertaining to companies formation and administration (Commercial Code- Company Law), registration of companies, branches and representative offices, import/export regulations, taxation, industrial and intellectual property protection, status of foreign nationals (entry, resident and work permits), banking and insurance, free and special economic zones regulations, etc.

Standing of FIPPA:

Since 1955, the legal framework of Iran's foreign investment regime was defined under the Law for the Attraction and Protection of Foreign Investments (LAPFI). Moreover, in line with reforms in the overall economic framework, Iran's parliament undertook to propose and approve a plan concerning a new foreign investment law entitled: The Foreign Investment Promotion and Protection Act (FIPPA) which was ratified in May 2002. FIPPA replaced the LAPFI which was in effect since 1955. FIPPA's replacement of LAPFI has further enhanced the legal framework and operational environment for foreign investors in Iran.

Some specific enhancements introduced by FIPPA for foreign investments in Iran can be outlined as follows:

- Broader fields for involvement by foreign investors including in major infrastructure,
- Recognition of new modes of foreign capital exposure in addition to Foreign Direct Investment, e.g. project financing, Buy-Back financing arrangements and BOT investment schemes,
- Streamlined and fast-track investment licensing application and approval process,
- Creation of a one-stop institution called the "Center for Foreign Investment Services" at the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI), for focused and efficient support for foreign investment undertakings in Iran,
- Further liberalization of foreign exchange mechanisms as enjoyed by foreign investors,
- Introduction of new legal options governing the Government-Investor(s) relations.

Clearly, the ratification of FIPPA and the approval of its implementing regulations by the Council of Ministers represented a significant complement to a whole host of reforms taking place in Iran's general macroeconomic framework and structural mechanisms. The trend in foreign investment applications in Iran since the ratification of FIPPA demonstrates that the new economic environment and the enhanced foreign investment legal and regulatory regime have tapped a great foreign investment potential for Iran that can be realized at a more accelerated pace through a concerted effort aimed at transparent communication of the latest status of Iran's dynamic economic and foreign investment framework.

Highlights of FIPPA:

1. General Features: The Government of the Islamic Republic of Iran welcomes foreign investment in all areas of economic activities by foreign persons including real persons as well as juridical entities. In accordance with Article (1) of FIPPA, the term foreign investor is defined to be natural persons and legal entities as well as Iranian nationals and companies either residing in Iran or abroad. The foreign investors by importing capital as defined in a very broad and diversified form, being in cash or in kind, or being machinery and equipment, raw materials, parts, specialized services as well as intellectual property for the purpose of investment in industry, mining, agriculture and services shall be eligible to enjoy the privileges and facilities provided under FIPPA. The advantages and facilities shall be granted to foreign investors who obtain the investment license. In general, foreign investment in Iran is free for all investors but such facilities and privileges are only granted to those investors who seek the FIPPA coverage by way of submission of application to the OIETAI, which is the central government agency to receive, license and protect the interests of foreign investors throughout the lifetime of their operation in Iran, notwithstanding the type and manner of investment. In fact, the interests and rights of foreign investors under FIPPA are fully recognized and secured against non-commercial risks which would simply commit the Iranian

Government not only to facilitate the free flow of capital repatriation but also the full and fair compensation against acts of Government towards expropriation as well as interruption of activities of the foreign investor.

It should be noted that under FIPPA, no restriction of what ever nature is legally permissible to be imposed on the manner of investment, type of investment, volume of investment, percentage of shareholding, profit and capital repatriation as well as internal relations between the parties to an investment project.

2. Risks Covered: Generally speaking, FIPPA provides full security against the risks which are generally referred to as non-commercial risks. These risks are usually insured by the export credit and investment insurance agencies. The risks related to transfer issues and expropriation remains as the cornerstone of the risks attributed to an investment in a recipient country. FIPPA honors all the rights and entitlements of investors by way of facilitating and making available the necessary foreign exchange for transfer purposes, being issues related to transfer of profit as well as issues related to capital repatriation. In fact, FIPPA recognizes the transfer right as the most fundamental right of foreign investors. There is no limitation to the amount of the profit to be transferred as well as to capital and gains on capital to be repatriated. In the area of expropriation and nationalization of foreign assets FIPPA recognizes the rights of the investors to receive compensation based on the fair market value of the expropriated assets immediately the day before expropriation takes place. In addition to the foregoing, FIPPA also recognizes the rights of foreign investors in cases whereby as a result of enactment of a law and/or a decision by the government, the implementation of a project is seized or interrupted. In such cases the Government is under obligation to guarantee all the payments which should have been paid on maturity.

3. Facilities Provided. FIPPA produces and provides a bulk of new facilities all in line with and aimed at meeting the interests of foreign investors. Of importance is the establishment of the Center for Foreign Investment Services (CFIS) at the premises of the OIETAI which makes it possible for the new-comers, whether Iranian or foreign, to have a direct access to the relevant organizations and government agencies through the resident representatives of those organizations and at the same time to collect, first - hand and updated information from the most relevant agencies without any need to resort to those agencies. In fact CFIS is designed as a one-stop-shop to serve the investors' needs and save their time and energy throughout the investment decision - making and implementation stage starting from preliminary studies on project feasibility, collection of information on regulatory framework and preparatory work for the investment licensing right to the operational stage which may require certain co-ordination and follow-up activities toward proper materialization of the investment project.

From the standpoint of FIPPA foreign investors will enjoy the same and equal treatment as accorded to local investors. There should be no discrimination vis-à-vis foreign investors and all facilities, privileges, exemptions will be equally extended to foreign investors. Anyhow, a most favoured nations treatment may also be applicable to the investors of countries with which the Iranian government has entered into a Bilateral Investment Treaty (BIT) which provides for more favourable treatment over national treatment.

In addition to the foregoing, FIPPA introduces new legal options in respect of government-investors relations which symbolizes the receptive and constructive approach of the Iranian government toward safeguarding the interests of foreign investors. There are various instances in FIPPA as well as in the Implementing Regulations

which focuses at the liberty of the foreign investor to choose from among a variety of alternatives, the best choice compatible to his expectations, which interalia, may extend from a choice on the percentage of shareholding, the management, claims for compensation resulting from expropriation, application for complementary security umbrella for receiving compensation resulting from government intervention to a wide spectrum of transfer options ranging from access to the banking system as well as free access to export and other foreign currency revenues and the like. Last but not least, are a series of facilities in the areas of entry and exit visas, residence and work permits for the investors, managers, directors and experts as well as their immediate relatives.

These facilities are provided on a long term basis which creates comfort and confidence to those related with investment projects for constant presence over the asset in which they have invested.

4. Broad Outlook. FIPPA provides for investment in all areas of economic activities in Iran. In fact there is no area other than areas related to arms, ammunition and security which are closed to

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foreign investment. According to Article (3) of FIPPA, foreign investment is divided in two broad categories:

(a) Foreign Direct Investment in all areas open to Iranian private sector by way of direct equity participation in the share capital of Iranian companies whether in greenfield projects or in existing firms or companies. As was explained elsewhere, foreign shareholding in Iranian entities is not limited in terms of percentage as opposed to what was formerly publicized that a foreign investor can not hold more than 49% shares in Iran. Such restriction is totally irrelevant and even contradicts the current general policy and legislation.

(b) Foreign "Indirect" investment under contractual arrangements which provides for any type of investment defined under FIPPA other than direct investments. Although the arrangements recognized under FIPPA are limited to Civil Participation*, Buy- Back and BOT arrangements, but each of the a.m. forms may be sub-divided by different types under the same title. Of importance, we may mention different types of BOOT, BCO, BLT, ROT, etc schemes as well as Project Financing and Profit Sharing arrangements. In other words, any type of investment in which the investor does not have an equity stake and/or is not qualified from ownership standpoint will fall under this broad category to be known as "Indirect" investment. This category provides for foreign investors to enter into areas which are closed to the private sector or areas in the upstream fields or national projects in which a direct participation in not, by law, permissible.

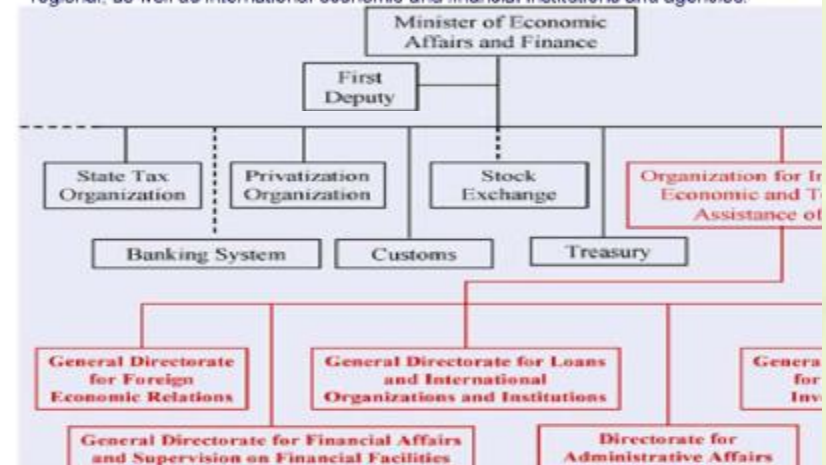
Irrespective of the type of investment, the foreign capital, as defined under FIPPA, is not only defined to be the funds disbursed to cover the investors' share in the equity capital but also, it refers to the funds which may be provided to an Iranian recipient entity in the form of credits and financial facilities (shareholders' loans and third party financing). The term Foreign Capital under FIPPA may cover both. It depends on the investor's wish and consent on how the loan to be treated in the context of FIPPA. Such investors/financiers may be given two options. One option is to treat the loan as part of the investment of the foreign investor in the project. In this case, the repayment of the loan is dependent, upon the economic performance of the project without being supported by way of a repayment guarantee by the government, banking system and state-owned companies. The other option is to treat the loan as separate financing alternative outside the FIPPA coverage. In this case the repayment may be supported by a guarantee obtained from any of the a.m. authorities. In short, FIPPA's coverage is only available for the funds brought into the country in the form of investment rather than the funds, the repayment of which is secured under banking instruments.

* unincorporated partnership

INVESTMENT LICENSING

The OIETAI was founded in June 1975 to conduct and perform a host of activities which, b establishment, were delegated to different government agencies. The activities mandated have all an external nature with global international affairs. It ranges from investment to in as from bilateral to regional and international relations.

The president of the Organization is ex-officio the Deputy Minister for Investments and Inte Affairs of the Ministry of Economic Affairs and Finance. The Organization performs its duti accordance with its statutes and such other legislation governing foreign investment in Iran investments abroad, external financing whether extending loans and credits to other count borrowings from international sources, coordinating and expanding relations with other col regional, as well as international economic and financial institutions and agencies.



The functions of the Organization may be categorized in four main areas:

1. Foreign Investments in Iran.

The Organization is legally empowered to represent the central investment promotion authority of the Government of the Islamic Republic of Iran by providing legal protection and full security to investments by way of facilitating the flow of capital into the country under the new Foreign Investment Promotion and Protection Act (FIPPA) ratified in May 2002.

The General Directorate for Foreign Investments within the Organization is responsible to receive investment applications as well as issuance of license, conduct of affairs and safeguard all entitlements of foreign investors in approved investment projects, and also to serve the investors by assisting, coordinating and facilitating all issues pertaining to their investments through the licensing process and ever after.

Being the investment authority, the Organization is also responsible for all transfers and related affairs of the foreign investments as well as all arrangements and conduct of negotiations and bilateral and multilateral agreements for the promotion and reciprocal protection of investments with other governments and international organizations. At present 47 BIT agreements have been signed with most of the European, South-East Asian, and neighboring countries as well as the Middle East, and North and South Africa, notwithstanding the current negotiations under way with a large number of countries in the globe.

For further information and inquiries on foreign investment in Iran, you are kindly invited to contact the Organization.

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2. External Financing

One important area in the Organization's overall activities is concentrated on the role in the conduct of all matters related to the relations with international finance and credit institutions as well as Export Credit Agencies (ECAs), World Bank group, Islamic Development Bank (IDB), OPEC Fund for Development, and various other international organizations. These activities are administered in the General Directorate for Loans and International Institutions and Organizations. It is also responsible for the conduct of negotiations in respect of the government and state-owned companies for the conclusion of loan and credit agreements and, above all, to manage for securing the payment guarantees on behalf of the Ministry of Economic Affairs and Finance.

For further information and inquires on external financing in Iran, you are kindly invited to [contact us](#).

3. Investments Abroad

The investments of government entities as well as private companies abroad are regulated and conducted by the Organization under the general policy of the government for the export of capital and technical and engineering services of Iranian companies worldwide. A large number of the government investments abroad have been materialized by Iran Foreign Investment Company (IFIC) as the major Iranian capital exporting company. Yet, the potentials available would call for further investments with the objective to enhance and further promote bilateral and multilateral economic relations.

4. Foreign Economic Relations

This duty is performed by the General Directorate for Foreign Economic Relations of the Ministry of Economic Affairs and Finance, within the Organization. It is responsible for all matters pertaining to economic relations including the Joint Economic Commissions with several countries as well as organizing and coordinating a series of tasks in the area of economic relations with countries worldwide. For further information and inquires on economic relations of Iran, you are kindly invited to [contact us](#).

**Thank you
FOR YOUR
KIND ATTENTION**

