SAZGAR ENGINEERING WORKS LIMITED

DIRECTORS' REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the first quarter ended September 30, 2015.

Financial Results:

During this quarter, the Company's net sale has increased by 2.77% from Rs. 534.01 M to Rs. 548.80 M, gross profit by 3.13% from Rs.50.31 M to Rs. 51.89M, pretax profit by 3.90% from Rs. 19.73 M to Rs. 20.50 M and earnings per share from Rs. 0.74 to Rs. 0.75 as compared to the corresponding period of last financial year.

The Company produced 3,662 units of Auto Rickshaws during this period compared with 3,187 units of auto rickshaw produced during corresponding period of last year showing an increase of 14.90%.

The company produced 15,959 tractor wheel rims during the current period compared with 16,072 wheel rims of corresponding period of last year. During the period under review, the booking of tractors has declined due to delay in start of Government scheme for tractors which was announced in the budget.

Future Outlook:

Innovation of new products will remain in intact to provide safe and comfortable vehicles to the customers. Enhancement in sale and marketing network of the company will also continue to spread the company's products throughout the country and to make available them at the door step of prospective customers.

Hopefully, the Government will commence the tractor scheme without further delay to fulfill need of the farmers.

By the Grace of Almighty Allah, better financial results are expected in the coming periods.

The directors would like to place on record their appreciation for the untiring efforts, teamwork and dedication shown by the company's employees during the period under review. They would also like to express their gratitude to the valued shareholders, customers, suppliers and financial institutions for their co-operation, constant support and trust on the Company.

For and on behalf of the Board

Mian Asad Hameed
(Chief Executive)

Lahore
Dated: 26-10-2015