



AL FUTTAIM



AGTL



NEWHOLLAND

QUALITY MANAGEMENT-BRAND STRENGTH

AL-GHAZI TRACTORS LTD.

PRODUCERS OF NEW HOLLAND TRACTORS IN PAKISTAN

Ref. 02.31.02

July 28, 2011

Mr. Muhammad Ghufraan
Deputy General Manager
Companies Affairs
The Karachi Stock Exchange (Gte.) Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi – 74000

Dear Sir,

Sub: Tractor Industry on the verge of collapse

We refer to your letter No. KSE/C-529-4575 dated July 26, 2011.

While we cannot comment on the ferocity of Business Recorder's report declaring the tractor industry "on the verge of collapse", the tractor industry is in indeed under stress following the imposition of sales tax on tractors in March 2011. Company's Directors' report for the first quarter ended March 31, 2011 dwelt on the forthcoming decline in bookings – copy attached for reference.

It may be noted that we had closed our plant in mid July for annual maintenance, a routine process. We will review the status after the maintenance is completed. Any unusual closure of the plant, if any, will then be communicated to the SECP and the Stock Exchange.

Yours faithfully,
For: **Al-Ghazi Tractors Limited**

SOBIKA MUZAMMIL
COMPANY SECRETARY