

GARRATT'S LIMITED

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29 October 2010

Company Announcements Office
Australian Stock Exchange
Level 4
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Via ASX Online

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ANNOUNCEMENT

ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3, we attach a copy of the Chairman's Address to shareholders at the Annual General Meeting of Garratt's Limited to be held today at 11.30am

Stephanie Noble
Company Secretary

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

102nd Annual General Meeting 29 October 2010

Good morning. Welcome to the one hundred and second Annual General Meeting of Garratt's Limited.

I am pleased to again report another good set of results. Notwithstanding the impact of issues affecting our businesses over which we have no control, especially the challenges in the international education market in Australia, revenue increased by 6% from \$17.1 million to \$18.2 million while consolidated profit before tax from operations was \$2,374,000, close to the previous year's \$2,436,000.

Your Board is pleased with the Company's performance for the July to September 2010 quarter. Both our education and fasteners businesses are operating well. The increase in value of the Australian dollar against the United States dollar has led to commentators worrying about the negative impact on business from international education. But it is the cross-rates with the currencies of the countries where our students come from that count, and in this regard the situation is less significant. A strong Australian dollar can benefit our fasteners business as imports of products and wire cost less. We continue to be confident that we are well positioned to identify and address challenges in respect to currency movements as they arise.

I am pleased to announce that Academies Australasia has entered into an arrangement to acquire International House Sydney, subject to due diligence and other conditions. International House Sydney is an English language college and specialist TESOL/TEFL teacher training centre. It is a member of the International House World Organisation (IHWO), the oldest and largest independent network of language schools in the world. Established in 1953, today the IHWO network has more than 140 language schools in over 45 countries. We continue to consider opportunities to expand our operations in Australia and overseas. Our student numbers are at record levels. We are contracting to lease more space.

The total dividend paid in respect to the year ended 30 June 2010 was three cents per share, reflecting a 52% payout on the pre-tax earnings of 5.8 cents per share. This payout ratio takes into account the small size of the Company and the objective to conserve our resources for expansion.

I believe that this will be the last time that we will be meeting as shareholders of Garratt's Limited, as I expect that the resolution to change the Company's name will be passed at this meeting. When the late Mr. Garratt and his friends set up this Company early in the last century, I wonder whether they thought about how long the Company would operate. Through commitment, tenacity and hard work, your Company has survived through all sorts of domestic

and international calamities which have led to many much bigger companies falling by the wayside. The proposed change in name to Academies Australasia Group Limited will better reflect your Company's main business. I believe that we are well positioned to grow and operate successfully for many more years. We must, of course, continue to be prudent, both in outlook and practice. Mr Garratt's grand daughter continues to have a stake in the Company. Indeed, I must thank her for advising me that she is in complete agreement with the proposal to change the Company's name. Long may the Garratt legacy continue.

I would like to take this opportunity to thank all our stakeholders, especially shareholders and staff, for their support during the year.

Thank you.

Neville Thomas Cleary