

GARRATT'S LIMITED

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2 November 2007

Company Announcements Office
Australian Stock Exchange
Level 4
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Sydney NSW 2000

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

99th Annual General Meeting 2 November 2007

In the Annual Report, I referred to the significant improvement in performance during the financial year ended 30 June 2007. I am very pleased to say today that your Company's performance for the first quarter of the current financial year confirms that that improvement has continued into this financial year.

Last week we announced that management reports show that for the three months to September 2007, we achieved a profit of about \$500,000. This is substantially higher than what was achieved during the corresponding period last year. The profit for the year ended 30 June 2007 was \$318,000.

May I reiterate that the figures for the first quarter are unaudited and it would be imprudent to extrapolate the results for the year on the basis of the quarter's performance.

Both arms of our business, education and fasteners, performed well. Education revenue almost doubled that of the previous corresponding period while sales in the fasteners business improved by about 40%.

Your Board was pleased to have been able to announce the dividend that was paid two weeks ago, in this, our centenary year. On the basis that the performance for the rest of the year continues on the strong note of the first three months, your Board will be considering a higher dividend.

I would like to take this opportunity to express my appreciation to all our stakeholders, especially shareholders and staff, for their support during the years that we had to wrestle with various challenges, none of which were of our making.

Thank you.

Neville Thomas Cleary