

GARRATT'S LIMITED

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ANNOUNCEMENT

ASX YEAR 2000 DISCLOSURE

This announcement is made in response to the 5 questions raised by ASX in its letter of 11 August 1999.

1. Garratt's Limited's ("the Company") assessment of its overall potential exposure to the Year 2000 problem has not changed materially from what it advised the market on 24 March 1999.
2. The Company has not initiated any material action to address the Year 2000 problem beyond actions previously advised.
3. In all the Company's businesses, steps have been taken to evaluate the likely impact of the Year 2000. In the absence of unforeseen circumstances, Garratt's intention is to have all critical systems which are in the Company's direct control tested for Year 2000 readiness before 30 November 1999. A number of tests have been performed to test the readiness of the Company's systems for the Year 2000 issue and our Year 2000 solution is substantially in place.
4. Notwithstanding the steps being taken to address the Company's exposure, there can, however, be no assurance that the steps taken will successfully minimise vulnerabilities of its software and systems, or those of its suppliers, to the problems associated with the transition to the Year 2000. Significant third parties with which the Company interfaces include, among others, customers and business partners, technology suppliers and service providers, and the utility infrastructure (power, transportation, telecommunications), on which all companies rely. Lack of readiness by these third parties would expose the Company to the potential for loss, impairment of business processes and activities, and general disruption of its markets.

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5. The Company's contingency plan has not changed significantly from what was advised to the market on 24 March 1999.

Petah Fitzsimmons
Company Secretary