

GARRATT'S LIMITED

ACN 000 003 725

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Australian Stock Exchange
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Sydney NSW 2000

13 September 2000

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ANNOUNCEMENT

PRELIMINARY FINAL REPORT

(APPENDIX 4B)

Page 1 of 20

Appendix 4B (rule 4.13(a))

Preliminary Final Report

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

Garratt's Limited

ACN Half yearly Preliminary Financial year ended ('current period')
(tick) final (tick)

000 003 725 30 June 2000

Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Sales (or equivalent operating) revenue (item 1.1)	Up	64.5%	to	11,262
Abnormal items after tax attributable to members (item 2.5)	Gain of			1,186
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (item 1.26)	Up	4.6%	to	1,719
+Operating profit (loss) after tax attributable to members (item 1.10)	Up	1.3%	to	1,618
Extraordinary items after tax attributable to members (item 1.13)				Nil
+Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	Up	1.3%	to	1,618
Dividends (distributions)		Amount per security		Franked amount per security at 36% tax
Final dividend (Preliminary final report only - item 15.4)		2¢		Nil
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		5¢		Nil
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)		16 October 2000		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

+ See chapter 19 for defined terms.

Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Sales (or equivalent operating) revenue	11,262	6,845
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	-	-
1.3 Other revenue	3,635	1,973
1.4 +Operating profit (loss) before abnormal items and tax	389	719
1.5 Abnormal items before tax (detail in item 2.4)	1,337	366
1.6 +Operating profit (loss) before tax (items 1.4 + 1.5)	1,726	1,085
1.7 Less tax	108	(513)
1.8 +Operating profit (loss) after tax but before outside +equity interests	1,618	1,598
1.9 Less outside +equity interests	-	-
1.10 +Operating profit (loss) after tax attributable to members	1,618	1,598
1.11 Extraordinary items after tax (detail in item 2.6)	-	-
1.12 Less outside +equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	1,618	1,598
1.15 +Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	-	-
1.16 +Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)	1,618	1,598
1.17 Retained profits (accumulated losses) at beginning of financial period	(4,195)	(4,736)
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	-	-
1.19 Aggregate of amounts transferred from reserves	-	-
1.20 Total available for appropriation (<i>carried forward</i>)	(2,577)	(3,138)

+ See chapter 19 for defined terms.

Consolidated profit and loss account continued

1.20	Total available for appropriation (<i>brought forward</i>)	(2,577)	(3,138)
1.21	Dividends provided for or paid	564	1,057
1.22	Aggregate of amounts transferred to reserves	-	-
1.23	Retained profits (accumulated losses) at end of financial period	(3,141)	(4,195)

Profit restated to exclude amortisation of goodwill		Current period \$A'000	Previous corresponding period \$A'000
1.24	+Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	1,719	1,644
1.25	Less (plus) outside +equity interests	-	-
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	1,719	1,644

Intangible, abnormal and extraordinary items		<i>Consolidated - current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1	Amortisation of goodwill	101	-	-	101
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	101	-	-	101
2.4	Abnormal items				
	Sale of subsidiary	1,337	(151)	-	1,186
	R&D Interest	1,479	(532)	-	947
	R&D Royalty/Put Option	(1,479)	532	-	(947)
2.5	Total abnormal items	1,337	(151)	-	1,186
2.6	Extraordinary items	-	-	-	-
2.7	Total extraordinary items	-	-	-	-

Comparison of half year profits (<i>Preliminary final report only</i>)		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated +operating profit (loss) after tax attributable to members reported for the <i>1st</i> half year (item 1.10 in the half yearly report)	437	1,104
3.2	Consolidated +operating profit (loss) after tax attributable to members for the <i>2nd</i> half year	1,181	494

+ See chapter 19 for defined terms.

Appendix 4B (rule 4.13(a))
Preliminary final report

Consolidated balance sheet (See note 5)		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	2,341	3,381	2,193
4.2	Receivables	3,774	2,552	3,520
4.3	Investments	-	-	-
4.4	Inventories	2,544	2,677	3,051
4.5	Other (provide details if material)	363	474	509
		9,022	9,084	9,273
4.6	Total current assets			
Non-current assets				
4.7	Receivables	2,388	-	-
4.8	Investments in associates	-	-	-
4.9	Other investments	2	-	-
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.12	Development properties (+mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	1,829	1,941	1,909
4.14	Intangibles (net)	2,760	2,635	2,553
4.15	Other - FITB	484	646	579
	- R&D Restricted Cash Deposit	16,344	16,042	15,604
		23,807	21,264	20,645
4.16	Total non-current assets			
		32,829	30,348	29,918
4.17	Total assets			
Current liabilities				
4.18	Accounts payable	1,373	1,527	1,726
4.19	Borrowings	386	272	422
4.20	Provisions	460	674	498
4.21	Other (provide details if material)	-	-	-
		2,219	2,473	2,646
4.22	Total current liabilities			
Non-current liabilities				
4.23	Accounts payable	-	-	-
4.24	Borrowings	5,681	6,067	5,681
4.25	Provisions	196	171	276
4.26	Other – R&D Deferred Revenue	16,344	16,042	15,604
		22,221	22,280	21,561
4.27	Total non-current liabilities			
		24,440	24,753	24,207
4.28	Total liabilities			
		8,389	5,595	5,711
4.29	Net assets			

+ See chapter 19 for defined terms.

Consolidated balance sheet continued

Equity				
4.30	Capital	11,530	9,790	9,790
4.31	Reserves	-	-	-
4.32	Retained profits (accumulated losses)	(3,141)	(4,195)	(4,079)
4.33	Equity attributable to members of the parent entity	8,389	5,595	5,711
4.34	Outside +equity interests in controlled entities	-	-	-
4.35	Total equity	8,389	5,595	5,711
4.36	Preference capital included as part of 4.33	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	N/A
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluation increments, etc.	
5.5	Expenditure transferred to Development Properties	
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)	

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	N/A
6.2	Expenditure incurred during current period	
6.3	Expenditure transferred from exploration and evaluation	
6.4	Expenditure written off during current period	
6.5	Acquisitions, disposals, revaluation increments, etc.	
6.6	Expenditure transferred to mine properties	
6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)	

+ See chapter 19 for defined terms.

Consolidated statement of cash flows

(See note 6)

		Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	6,526	5,426
7.2	Payments to suppliers and employees	(5,739)	(5,290)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	131	126
7.6	Interest and other costs of finance paid	(627)	(285)
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	-	-
7.9	Net operating cash flows	291	(23)
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(220)	(91)
7.11	Proceeds from sale of property, plant and equipment	-	4
7.12	Payment for purchases of equity investments	-	-
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	(1,578)	-
7.15	Loans repaid by other entities	-	-
7.16	Payments for controlled entities	-	(951)
	Payments for businesses and assets	-	(5,476)
	Other	(63)	-
7.17	Net investing cash flows	(1,861)	(6,514)
Cash flows related to financing activities			
7.18	Proceeds from issues of +securities (shares, options, etc.)	1,740	7,787
7.19	Proceeds from borrowings	-	1,144
7.20	Repayment of borrowings	(272)	(36)
7.21	Dividends paid	(855)	(912)
7.22	Other (provide details if material)	-	-
7.23	Net financing cash flows	613	7,983
7.24	Net increase (decrease) in cash held	(957)	1,446
7.25	Cash at beginning of period	3,381	1,934
	Cash balances in controlled entities acquired (disposed) (see Reconciliation of cash)	(83)	1
7.26	Exchange rate adjustments to item 7.25	-	-
7.27	Cash at end of period (see Reconciliation of cash)	2,341	3,381

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

Electrodata Pty Limited was sold during the year for \$2,000,000. No funds were received in respect of the sale as at the year end.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	2,341	1,350
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Short term deposit	-	2,031
8.5 Total cash at end of period (item 7.26)	2,341	3,381

Ratios	Current period	Previous corresponding Period
9.1 Profit before abnormals and tax / sales Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	3.5%	10.5%
9.2 Profit after tax / +equity interests Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	19.3%	28.6%

Earnings per security (EPS)	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>		
(a) Basic EPS	14.7 cents	16.8 cents
(b) Diluted EPS (if materially different from (a))	-	-
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	11,031,813	9,537,081

+ See chapter 19 for defined terms.

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	46.4 cents	27.7 cents

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.4	132	126
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	627	352
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	60	-
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	309	197

Control gained over entities having material effect

(See note 8)

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	\$
13.3 Date from which such profit has been calculated	
13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$

+ See chapter 19 for defined terms.

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	Electrodata Pty Limited
14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	(\$119,231)
14.3	Date to which the profit (loss) in item 14.2 has been calculated	30 June 2000
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	(\$119,231)
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$1,336,924

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.

Segments

Operating Revenue

Refer Appendix A

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated +operating profit before tax (equal to item 1.6)

Segment assets)

Comparative data for segment assets should be as at the end of the previous corresponding period.

Unallocated assets)

Total assets (equal to item 4.17))

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	15 November 2000
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	16 October 2000
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	Yes

+ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	2¢	Nil	Nil
15.5	Previous year	5¢	Nil	Nil
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	3¢	Nil	Nil
15.7	Previous year	5¢	0.16¢	Nil

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	5¢	10¢
15.9 Preference +securities	N/A	N/A

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities	564	1,058
15.11 Preference +securities	-	-
15.12 Total	564	1,058

The +dividend or distribution plans shown below are in operation.

No plans in operation

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

Nil

+ See chapter 19 for defined terms.

Details of aggregate share of profits (losses) of associates

Entity's share of associates'	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Operating profit (loss) before income tax	N/A	N/A
16.2 Income tax expense		
16.3 Operating profit (loss) after income tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Outside equity interests		
16.7 Net profit (loss) attributable to members		

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
17.1 Equity accounted associates				
N/A				
17.2 Total				
17.3 Other material interests				
N/A				
17.4 Total				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of +securities	Total number	Number quoted	Issue price per security (see note 15) (cents)	Amount paid up per security (see note 15) (cents)
18.1 Preference +securities (description)	Nil			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	N/A			
18.3 +Ordinary securities	12,140,169	12,140,169		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	1,450,000 Nil	1,450,000	120	120
18.5 +Convertible debt securities (description and conversion factor)	5,230,934	5,230,934	100	100
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
18.7 Options (description and conversion factor) * Re 18.8: Ex Pr @ 30.6.01 = 128 cts. Ex Pr @ 30.6.02 = 136 cts			Exercise price	Expiry date (if any)
18.8 Issued during current period	400,000	Nil	*	30.6.02
18.9 Exercised during current period	Nil			
18.10 Expired during current period	Nil			
18.11 Debentures (totals only)	Nil			
18.12 Unsecured notes (totals only)	Nil			

+ See chapter 19 for defined terms.

Comments by directors

Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last + annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer Appendix B

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

The 3 conditions subsequent in regard to the sale of Electrodata Pty Limited have occurred.
The R & D syndications were terminated on 1 September 2000.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

No franking credits are available to Garratt's Limited or the Garratt's Group.

Changes in accounting policies since the last annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

Nil

+ See chapter 19 for defined terms.

Additional disclosure for trusts

19.1 Number of units held by the management company or responsible entity or their related parties.

N/A

19.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

To Be Advised

Date

Time

Approximate date the +annual report will be available

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 13).

Identify other standards used

Nil

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

+ See chapter 19 for defined terms.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached.

6 The entity has a formally constituted audit committee.

Sign here: Date:
(Group Finance Manager)

Print name: Ian Bloodworth

Notes

- For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
- True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
- Consolidated profit and loss account**
 - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
 - Item 1.2 'Share of associates' "net profit (loss) attributable to members" would form part of "other revenue" in *AASB 1004* to the extent that a profit is to be reported. ASX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.
 - Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

+ See chapter 19 for defined terms.

- Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5. **Consolidated balance sheet**
Format The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.
- Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc*.
6. **Statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A’000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A’000 headings are amended.

+ See chapter 19 for defined terms.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating “Operating profit (loss) after tax attributable to members” (item 1.10) and “Investments in associates” (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the “For announcement to the market” section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.
12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Law must also be given to ASX. For example, a directors’ report and statement, if lodged with the +ASIC, must be given to ASX.
13. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
15. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

+ See chapter 19 for defined terms.

GARRATT'S LIMITED AND ITS CONTROLLED ENTITIES

APPENDIX A

SEGMENT REPORT

	INVESTMENT BANKING		TELE- COMMUNICATIONS		FASTENERS		EDUCATION		MULTIMEDIA		ELIMINATIONS		CONSOLIDATED	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to outside customers	-	-	1,947	2,281	7,427	4,266	1,888	298	-	-	-	-	11,262	6,845
Other revenue	2,059	90	-	41	16	6	50	1	31	-	-	-	2,156	138
Inter-segment revenue	519	315	-	-	-	-	-	-	-	-	(519)	(315)	-	-
Research & Development														
Syndication revenue														
Contract revenue	-	-	-	373	-	-	-	-	-	-	-	-	-	373
Interest revenue	-	-	1,479	1,463	-	-	-	-	-	-	-	-	1,479	1,463
Total revenue	2,578	405	3,426	4,158	7,443	4,272	1,938	299	31	-	(519)	(315)	14,897	8,819
Segment operating profit/(loss)	1,216	(97)	77	767	1,181	857	394	136	11	-	(519)	(315)	2,361	1,348
Unallocated expenses													(635)	250
Operating profit before income tax													1,726	1,598
Segment assets	3,666	2,419	358	1,866	7,845	7,787	3,167	2,232	1,449	-	-	-	16,485	14,306
R & D Syndication assets	-	-	16,344	16,042	-	-	-	-	-	-	-	-	16,344	16,042
Total assets	3,666	2,419	16,702	17,908	7,845	7,787	3,167	2,232	1,449	-	-	-	32,829	30,348

The companies in the consolidated entity operate predominantly in Australia

Appendix B

Principal Activities

The principal activities of the consolidated entity during the period were: investment banking; the design and manufacture of multi-channel voice logging recorders and other telecommunications products; the manufacture, import and sale of fasteners; and the provision of training and education services. The consolidated entity also entered into an arrangement to fund new point-of-purchase interactive multimedia technology.

Investment Banking

While the Company continued to seek investment banking opportunities, surplus funds were invested in bank deposits.

Telecommunications

Electrodata Pty Limited's contribution during the year was poor in comparison to the previous two years, mainly due to the maturing of the 1997 contract to supply a large number of recorders to a leading telecommunications company in Australia. Since the finalisation of the Research & Development Syndication in June 1998, Electrodata has had to fund all its research and development expenditure. Electrodata was sold on 30 June 2000.

Fastening

Premier Fasteners Pty Limited continued to make a substantial contribution to the profitability of the Group.

Education

The Education Group, made up of Academies Australasia Pty Limited, Academies Australasia (Management) Pty Limited, Clarendon Business College Pty Limited and Supreme Business College Pty Limited, also made a significant contribution.

Multimedia

Participation in the operations of the Agent 13 point-of-purchase interactive multimedia technology was carried out through a wholly owned subsidiary, Multimedia Investments Pty Limited.

Convertible Notes

No Notes were converted during the year. Interest payments of 6 cents per Note were made in both December 1999 and June 2000.

Share Issue

In March 2000 1,450,000 new shares were issued for cash at \$1.20 each.
