

# GARRATT'S LIMITED

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Company Announcements Office  
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Via Facsimile To: 1300 300 021

## ANNOUNCEMENTS

Garratt's today made the following announcements:

### Sale of Electrodata Pty Limited ('Electrodata')

In September 2000 shareholders approved the sale of Electrodata to Syman Pty Limited. On 27 June 2002, Garratt's received A\$1 million in cash as full and final settlement of amounts outstanding in respect of the sale. That amount was not due to be received until 31 December 2002.

### Mr. Thanga Thangathurai

We continue to pursue proceedings seeking payment of money by Mr. Thangathurai in the Supreme Court of New South Wales. Justice McClellan has set 28 October 2002 as the final hearing date, with an estimate of 10 days. The matter will continue until concluded.

The amount claimed as outstanding at 30 June 2002 (with interest) was about US\$1.7 million.

At each reporting date, in line with accounting standards, Garratt's converts its foreign currency assets and liabilities to Australian dollars at the prevailing rate on that date. The value of the Australian dollar has risen substantially against the US\$ since 31 December 2001. Adjusting for the rise in the value of the Australian dollar, the Company will show an unrealised foreign exchange loss for the six months to 30 June 2002, in respect of this matter, of about A\$308,000.

We intend to pursue all losses, including losses due to foreign exchange fluctuations, to the extent permissible by law.

### Convertible Notes

In October 2001, the Company announced an on market buy-back of its Convertible Notes. Since then, 246,198 Notes, representing 4.7% of the total Notes issued in 1999, have been bought back and cancelled. The average price was 92 cents.

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## Fastening

Sales from our fastening business during the year were about \$7.8 million, representing an increase of 12% from that for the year ended 30 June 2001. The contribution from fastening is therefore expected to be significantly better than it was in the previous year.

## Education

Our education business has been affected by lower student numbers because of more stringent requirements for the granting of study visas following changes to immigration regulations in 2001. Nevertheless, this business is expected to have performed profitably during the year, although contributing significantly less than it did in the previous year.

The Board remains confident about the Company's prospects in the education business.

All the abovementioned information is subject to audit, which will be carried out in due course.

Petah Fitzsimmons  
Company Secretary

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