

GARRATT'S LIMITED

ACN 000 003 725

Telephone: +61 2 9224 5555 Facsimile: +61 2 9224 5550

Company Announcements Office
Australian Stock Exchange
Level 10
20 Bond Street
Sydney NSW 2000

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Via Facsimile To: 1300 300 021

ANNOUNCEMENT

PRELIMINARY FINAL REPORT & FINAL DIVIDEND

Garratt's today released its Preliminary Final Report for the year ended 30 June 2000.

The Directors of Garratt's are pleased to announce that the consolidated operating profit before income tax for the year was \$1,725,966 (equal to 15.6 cents per share), representing a 59% increase on the results for the previous year. The result incorporates the profits from the sale of Electrodata Pty Limited and is after payment of \$627,712 as interest on the 5,230,934 Convertible Notes on issue.

The consolidated profit after abnormal items and tax was \$1,617,858 (1999: \$1,598,052), equal to 14.7 cents per share. The tax charge for the year was \$108,108 whereas for the previous year there was a credit of \$513,405.

Directors are also pleased to announce a final dividend of 2 cents per share (unfranked). Payment of this final dividend will be made on 15 November 2000. Registered shareholders at the close of business on 16 October 2000 will be entitled to this dividend.

Together with the interim dividend of 3 cents per share (unfranked, paid in April 2000), the total dividend for the year ended 30 June 2000 will be 5 cents.

The dividend rate of 5 cents is lower than that for the previous two years. As explained to shareholders in March 2000, the Company's capital base has increased substantially. Moreover, the investment in the Agent 13 opportunity, which aims to grow the Company substantially, requires additional resources and is not expected to generate income for two to three years. As such it would neither be realistic nor prudent to continue to pay a dividend at the same rate as that for the previous two years. The objective is that capital growth will more than compensate for the lower dividend rate.

The consolidated net tangible asset backing per share at balance date, after providing for the final dividend, was 46.4 cents – an increase of 18.7 cents from 27.7 cents at 30 June 1999.

Petah Fitzsimmons
Company Secretary