

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

REDUCTION OF SHARE CAPITAL

Garratt's Limited ("Garratt's") today announced the reduction of issued capital by 744,888 shares – from 12,140,169 shares to 11,395,281 shares.

The reduction is the result of Syman Pty Limited's ("Syman") first payment in settlement of the purchase of Electrodata Pty Limited ("Electrodata"). The payment comprised a set-off from the proceeds of the buying back and cancelling of Syman's 744,888 Garratt's shares at \$1.30 per share, for the equivalent of \$968,354.40, and the payment in cash of \$31,645.60. (Total: \$1,000,000)

The sale of Electrodata to Syman was approved by Garratt's shareholders on 7 September 2000.

The 744,888 cancelled shares represented 6.14% of the previous capital base of 12,140,169 shares. Following the cancellation, shareholders' interests in Garratt's shares will increase accordingly.

Christopher Campbell
Group Managing Director