

GARRATT'S LIMITED

ACN 000 003 725

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

24 November 2006

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3, we attach a copy of the Chairman's Address to shareholders at the Annual General Meeting of Garratt's Limited to be held today at 11.30am

Ian Bloodworth
Company Secretary

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CHAIRMAN'S ADDRESS TO SHAREHOLDERS

98th Annual General Meeting 24th November 2006

In my report to shareholders in September, in the Annual Report, I said that there were signs to suggest that the Company may be recovering from the substantial write-downs of the previous years. I am pleased to say that management reports about performance for the first quarter (unaudited) confirm the turnaround in both our operating businesses. October's figures confirm their positive contribution.

The education business continues to grow. Student numbers are at record levels and projected student numbers are encouraging. When the relocation to new premises is bedded down, the education team will be able to focus on more marketing and business development.

I am particularly pleased to say that during the September quarter, the fastening business improved significantly, in terms of sales as well as contribution. Management is putting additional resources into the fastening business and there is the confidence that the improvement in the first quarter will continue.

Your Board continues to hold the view that the Company should specialise in the education business. Nevertheless, for the present, it would be in the Company's interest to strengthen the fastening business with the aim towards the contribution levels of a few years ago.

While operations have improved, it is too early to suggest what the performance will be for the rest of the year. However, the outlook is favourable.

Neville Thomas Cleary