

ASX Release

22 August 2008

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

The directors of Coventry Group Ltd (CGL) (ASX Code: CYG) today announced the audited financial results of the Company and its controlled entities (the Group) for the year ended 30 June 2008.

The full year result is a net profit of \$6.9 million compared with a loss of \$1.2 million for the prior year.

RESULTS SUMMARY

	FY2007/08	% Change from FY2006/07
Revenue (\$M)	485.5	-8
Revenue from Continuing Operations (\$M)	451.4	-4
Normalised EBIT (\$M)	10.1	-59
Normalised Profit after Tax (\$M)	7.6	-43
Net Profit/ (Loss) (\$M)	6.9	
NTA per share (\$)	3.24	+1
Net Debt (\$M)	45.8	-39
EPS - basic (cents)	16.6	
- diluted (cents)	16.2	
- normalised (cents)	18.3	

The results for the 2007/08 financial year were impacted by a number of material items. The key items were (on a pre tax basis):

	\$M
Net gain on sale of businesses	1.5
Net gain on sale of "Bitumen" land & buildings	7.0
Relocation costs of principal WA site	(3.4)
Additional stock provisions	(4.2)
Costs of closure/exiting businesses	(1.9)
Total	(1.0)

These results reflect significant progress in the transformation of our continuing businesses and the role of non-performing assets.

DIVIDEND

The Directors have decided that no final dividend be declared for the 2007/08 financial year in light of the poor trading results. It is intended to return to paying dividends as soon as operating performance improves.

BUSINESS UNITS PERFORMANCE REVIEW

Industrial Products Distribution

Revenue from the industrial business increased 5.5% to \$272.2 million. Profit before interest and tax of \$20.9 million was down 8.5% on the previous year.

The fluids business recorded a strong result with an expansion of its activities to South Australia and Victoria and solid performances in Western Australia and North Queensland on the back of the buoyant mining and resources sectors.

The fastener business achieved good performances in Western Australia and Queensland. However, a softening in the construction market resulted in below expectation outcomes for the other States. Overall the business in New Zealand performed well given the general weakness in the economy.

Artia, the cabinet and furniture hardware division, had a disruptive year as it continued to bed down warehousing and logistics issues which in turn impacted customer service.

Automotive Parts Distribution

The automotive parts business recorded a loss before interest and tax of \$19.6 million compared to a loss of \$8.2 million for the prior year. Revenue of \$201.0 million was down 16%. During the year the Queensland and Northern Territory automotive businesses were sold. The Western Australian operations of Coventry continue to be adversely impacted by the changeover of IT systems, the relocation of the distribution centre and high labour turnover. This has impacted service levels which in turn reduced sales. The South Australian operations, whilst below expectations, had an improved result on the prior year.

Management's focus going forward will be to lift trading performance and reduce operating costs.

Gasket Manufacturing

The gaskets business achieved a good performance with revenue of \$11.6 million compared to \$11.1 million the prior year – up 3.5%. Profit before interest and tax increased 64% to \$2.0 million. A favourable trading environment coupled with strong cost control contributed to the solid trading result.

OUTLOOK

For the 2008/09 financial year the possibility of higher inflation and currency volatility will present challenges for the Group.

The outlook for the Group's industrial business should be favourable especially for the divisions that are operating in the buoyant 'resources states' of Western Australia and Queensland. However, the remaining states present uncertain trading conditions whilst the NZ economy is expected to continue to be flat.

The automotive division's performance will be dependent on continued improvement of internal processes and the level of consumer confidence that can be achieved if the business can deliver better service levels.

The gaskets business is well positioned to continue to improve on its competitive market position and anticipates a favourable trading environment.

We expect to continue to reduce our debt through property sales and better working capital utilisation.

For further information, please contact:

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