

Half-year Highlights

- Net profit before tax and significant items down 18% to \$8.8 million.
- Operating revenue up 10% to \$239.6 million.
- Earnings per share up 31% to 27.6 cents per share.
- Profit result (on a comparative basis) negatively impacted by:
 - difficult trading conditions in December across both major divisions automotive and industrial; and
 - one off costs associated with the restructuring of CAP.
- Interim dividend of 18 cents per share, fully franked up from 16 cents per share for the prior comparative period (record date - 7 March 2005; payable - 18 March 2005).
- Dividend investment plan suspended for the time being.
- Sale of the Company's Morley site for \$16 million which added \$3.7million to the after tax profit for the period.
- Acquisition of Thompson's Spare Parts and Rod Smith Parts & Bearings in Queensland and Independent Motor Mart in Darwin completed on 1 July and 1 August 2004 respectively.

>> BUSINESS SEGMENT PERFORMANCE

The following table provides a summary of the revenue and operating profit before tax for the respective business segments within the Group for the half-year ended 31 December 2004 as compared to the prior comparative period.

Half-year 2004	Automotive Parts Distribution \$'000	Industrial Products Distribution \$'000	Bitumen Products \$'000	Gasket Manufacturing \$'000	Elimination \$'000	Consolidated \$'000
Total segment revenue	138,111	91,189	6,402	6,744	(2,041)	240,405
Unallocated corporate revenue						16,951 ¹
Total revenue						257,356
Segment operating profit before interest and tax	1,248 ²	8,656	417	951	-	11,272
Pre-tax profit on sale of land and buildings						3,744
Unallocated net corporate expense						(1,784)
Operating profit before interest and tax						13,232
Net interest expense						(691)
Net profit before tax						12,541
Half-year 2003						
Total segment revenue	119,163	88,972	6,086	6,464	(1,927)	218,758
Unallocated corporate revenue						490
Total revenue						219,248
Segment operating profit before interest and tax	3,376 ³	8,071	369	849	366	13,031
Unallocated net corporate expense						(1,647)
Operating profit before interest and tax						11,384
Net interest expense						(704)
Net profit before tax						10,680

1. Includes proceeds on sale of land and buildings of \$16.6 million.
2. Includes loss incurred by Coventry Auto Parts Pty Ltd of \$2.9 million.
3. Includes loss incurred by Coventry Auto Parts Pty Ltd of \$2.4 million.

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Share Registry

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Shareholder Calendar 2005

Record Date for Interim Dividend - 7 March
Payment of Interim Dividend - 18 March
Year End Results & Final Dividend Announcement - 22 August
Payment of Final Dividend - 16 September
2005 Annual General Meeting - 8 November

Chairman's Review

Dear Shareholder

The directors of Coventry Group Ltd (CGL) are pleased to report on the results of the Company and its controlled entities (the Group) for the half year ended 31 December 2004.

>> GROUP PERFORMANCE

A summary of the Group's performance for the half year ended 31 December 2004 is shown in the following table:

Six month period ended 31 December	2004	2003	% Change
Revenue (\$M)	239.6	218.1	10 ↑
Net profit before tax and significant items (\$M)	8.8	10.7	18 ↓
Net profit after tax (\$M)	9.7	7.3	33 ↑
Earnings per share (cents)	27.6	21.1	31 ↑
Interim dividend per share (cents)	18	16	12 ↑

As previously announced, net profit after tax includes a profit after tax of \$3.7 million from the sale of the Company's site in Morley and three other small company owned sites.

Excluding the above significant item, the profit after tax for the period under review represents an 18% decrease compared to the prior corresponding period. Difficult trading conditions in December 2004 combined with restructuring costs and a one off stock provision at the Company's controlled entity Coventry Auto Parts Pty Ltd (CAP) were the key contributing factors. CAP recorded a \$2.9 million loss for the period under review compared to a \$2.4 million loss for the corresponding period last year.

Earnings per share (basic) for the period under review was 27.6 cents compared to 21.1 cents for the prior comparative period.

>> DIVIDEND

The directors have declared an interim dividend of 18 cents per share, fully franked, up from 16 cents per share for the prior comparative period. This represents a payout ratio of 65%.

The dividend will be paid on 18 March 2005 to shareholders registered as at 5.00 pm on 7 March 2005.

Having regard to the existing capital resources of the Company,

the directors have decided to suspend the operation of the dividend reinvestment plan for the time being.

>> BUSINESS SEGMENT PERFORMANCE

Automotive Parts Distribution

In comparative terms, the Group's automotive parts business segment recorded a poor result for the period under review.

Whilst revenue increased 16% to \$138.1 million, operating profit before tax was \$1.2 million compared to \$3.4 million for the prior corresponding period. This result includes a \$2.9 million loss incurred by CAP (2003: loss of \$2.4 million). CAP losses were negatively impacted by a write down of obsolete stock (\$0.5 million) and restructuring/relocation costs (\$0.6 million) as initiatives were implemented to position the business for improved performance in the second half. These initiatives should result in ongoing cost savings exceeding \$1.0 million per year.

The West Australian based Coventrys division achieved solid sales growth but a decline in margins and a softer second quarter impacted the overall profit performance.

Motor Traders in South Australia recorded a disappointing result with the key contributing factors being weaker margins and lower sales in an aggressively competitive market.

The acquisition of Independent Motor Mart in Darwin was completed on 1 August 2004. Revenue for the period has been slightly less than anticipated but an improvement in gross profit margin has been achieved since integration.

The acquisition of Thompson's Spare Parts and Rod Smith Parts & Bearings in Queensland was completed by CAP on 1 July 2004. Whilst a number of initial integration costs and issues have been experienced, the acquisition is expected to make a positive contribution to CAP's performance for the full year.

Industrial Products Distribution

The industrial products segment recorded an operating profit before tax of \$8.7 million, up 7% on the prior comparative period. Revenue totalled \$91.2 million – a 2% improvement on the corresponding period last year.

The performance was underpinned by strong infrastructure project activity in Western Australia and high demand from both the Australian and New Zealand housing and construction sectors. This resulted in solid performances by Coventry Fasteners in Victoria and Western Australia and Hylton Parker Fasteners in New Zealand.

Another positive contribution to the division's performance in the first half was the retention of a number of major supply agreements. Margins also improved following recent price increases.

Initiatives being pursued by management include a review of the distribution network to improve business efficiencies and reduce costs, as well as expansion of the mobile service concept.

Bitumen Products

Operating profit before tax was \$0.4 million – up 13% on the prior comparative period. Revenue increased by 5% to \$6.4 million. Bitumen Emulsions spray and cover activities continue to achieve above budgeted results. Hot Mix operations are experiencing strong competition with a consequent negative impact on margins. However, the launch of Hot Mix's recycled asphalt, Eco Grade™, into the WA market, successful tendering for a number of local government contracts and restructuring initiatives within the business should have a positive effect on the segment's performance in the second half.

Gasket Manufacturing

The gasket manufacturing segment recorded an operating profit before tax of \$1.0 million – an increase of 12% on the prior comparative period. Revenue increased 4% to \$6.7 million. The steady result was attributable to improved production efficiencies and increased manufacturing capacity following the acquisition of an additional travelling head press.

>> OUTLOOK

Trading conditions for January have been stronger than in December and it is expected that this should continue throughout the second half with profit performance expected to be ahead of the corresponding period of the previous year.

The automotive division expects the West Australian market to be buoyant, with South Australia and Northern Territory experiencing softening conditions. As a result of restructuring efforts undertaken in the first half, CAP's lower cost base and improved sales should see significantly reduced losses for CAP in the second half.

The industrial segment is expecting an easing of demand, particularly in the construction sector.

Some improvement in the bitumen products segment is expected as restructuring initiatives should deliver improved results.

Yours faithfully

Warwick Kent, AO
CHAIRMAN

Financial Summary

Six months ended 31 December 2004

	December 2004 \$'000	December 2003 \$'000
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Financial Performance

Operating revenue	239,643	218,123
Operating profit before tax	12,541	10,680
Less tax	(2,605)	(3,194)
Profit after tax	9,936	7,486
Add outside interests	(192)	(172)
Operating profit for shareholders of Coventry Group Ltd	9,744	7,314
Earnings per share (cents)	27.6	21.1

Cash Flow

Net cash inflow from operations	2,936	9,528
	December 2004 \$'000	June 2004 \$'000

Financial Position

Current assets	180,182	159,184
Non-current assets	84,929	84,793
Total assets	265,111	243,977
Current liabilities	52,614	48,896
Non-current liabilities	36,534	25,190
Total liabilities	89,148	74,086
Net assets	175,963	169,891

Share capital	96,149	93,685
Reserves	32,933	32,880
Retained profits	43,872	40,449
Total parent equity	172,954	167,014
Outside equity interests	3,009	2,877
Total equity	175,963	169,891