Coventry Group Ltd

Results for Full Year Ended

30 June 2004

Chris Glenn
Managing Director

Stephen Cooper
Chief Financial Officer

Result Highlights

- Net profit before tax up 30% to $21.9M.
- Earnings before interest and tax up 23% to $23.1M.
- Final dividend of 18 cents fully franked, up from 16 cents, fully franked.

Financial Overview

	FY03			FY04		
$M	H1	H2	TOTAL	H1	H2	TOTAL
Sales	211.3	204.2	415.5	217.0	216.9	433.9
EBITA (before significant items – nil in 2004)	10.3	10.3	20.6	12.2	12.5	24.7
Tax	3.3	2.7	6.0	3.2	3.6	6.8*
Net Profit After Tax (before outside equity interest)	5.0	5.9	10.9	7.5	7.7	15.2
EPS – cents	14.7	16.8	31.5	21.1	21.4	42.5

* Effective tax rate has reduced to 31% from 36% due to first full year offset of CAP current year tax loss and CAP brought forward tax losses.

Financial Overview (continued)

	FY03			FY04		
	H1* %	H2* %	TOTAL %	H1* %	H2* %	TOTAL %
EBITA/sales	4.9	5.0	4.9	5.6	5.8	5.7
Return on Capital Employed (EBITA/equity + net debt)	10.6	11.1	11.0	13.0	13.7	13.6
Return on Equity (NPAT/equity)	6.2	7.2	6.7	9.0	9.0	9.0

* Ratios are annualised where appropriate.

Cash Flow and Gearing

	FY03 $M	FY04 $M
Operating Cash Flow	22.4	20.2
Closing Net Interest Bearing Debt	23.3	12.5
Closing Equity	162.8	169.9
Net Debt/Equity	14.3%	7.3%
Interest Cover (EBITA/net interest)	11.1	21.0

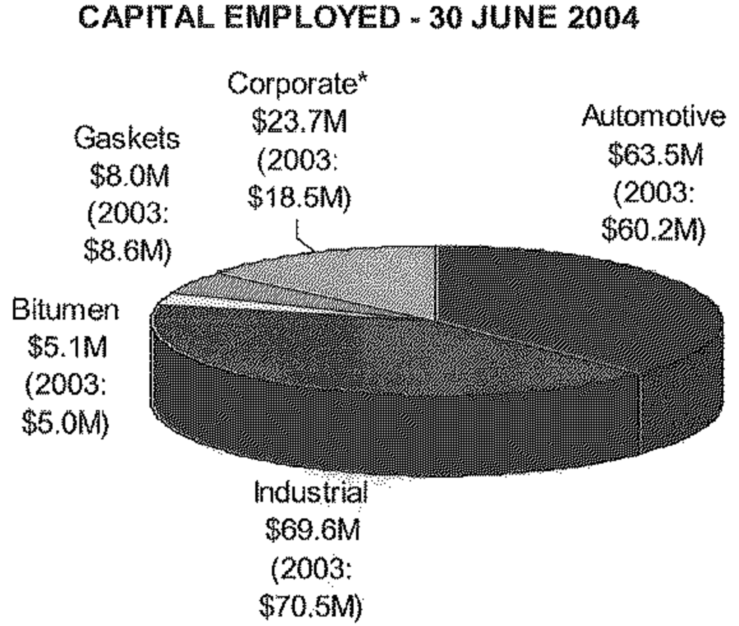
- Debt reduction from property sale proceeds and operating cash flow.

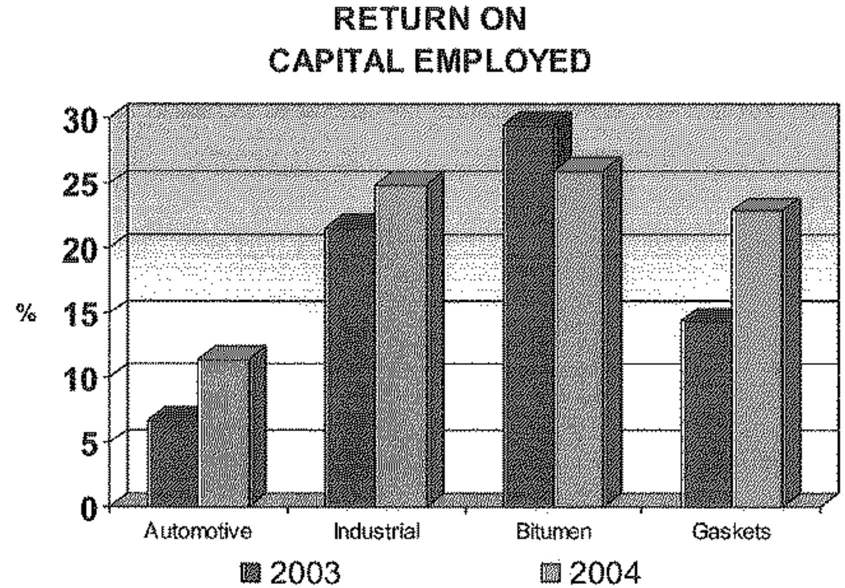
Dividends

	FY02	FY03	FY04
EPS – cents	13.4	31.5	42.5
Dividend per share - cents	20.0	30.0	34.0
Franking	100%	100%	100%

- Current policy is to distribute high proportion of profits.
- Dividend reinvestment plan in place (2.5% discount).
- Franking account balance of $27.9M.

Capital Employed





Capital Employed =
Assets – Creditors and Provisions

Return on Capital Employed =
EBITA/Capital Employed

* Includes land and buildings and net debt

Capital Employed (continued)

	FY03	FY04
Capital expenditure	$8.6M	$7.2M
Annual stock turns	3.1 turns	3.2 turns
Days sales in trade debtors	54 days	56 days

Automotive

$M	FY03			FY04		
	H1	H2	TOTAL	H1	H2	TOTAL
Sales	113.9	113.7	227.6	118.2	122.2	240.4
EBIT *						
- Parent (WA/SA)	4.2	5.2	9.4	5.8	5.4	11.2
- CAP (NSW/QLD)	(3.2)	(2.6)	(5.8)	(2.4)	(1.7)	(4.1)
	1.0	2.6	3.6	3.4	3.7	7.1
EBIT/Sales Margin	0.9%	2.3%	1.6%	2.9%	3.0%	2.9%

* Before significant items (nil in 2004).

Automotive

- Continued improvement in WA, partly assisted by resources sector and growth in the overall trade market.
- Stronger second half in SA, but full year margins negatively impacted by competition and sales mix.
- 29% reduction in CAP loss. QLD achieved breakeven in 2 of the last 4 months, but only marginal improvement for NSW over the year.
- Thompson's Spare Parts/Rod Smith Parts and Bearings acquisition should add $10M in annual sales and $0.9M EBIT (excluding acquisition costs) from 1 July 2004 in QLD.
- Independent Motor Mart acquisition should add $9.7M in annual sales and $1.1M EBIT (excluding acquisition costs) from 1 August 2004 in NT.

Industrial

$M	FY03			FY04		
	H1	H2	TOTAL	H1	H2	TOTAL
Sales	85.5	79.8	165.3	88.4	83.3	171.7
EBIT	7.5	6.2	13.7	8.1	7.8	15.9
EBIT/Sales Margin	8.7%	7.7%	8.3%	9.1%	9.3%	9.2%

Industrial

- Most project sales occurred in first half.
- Resource sector strength reflected in contributions from WA and QLD.
- Construction fastener specialist, Infix, continued to grow, with high demand from the housing sector.
- NZ achieved strong sales and margin growth, assisted by construction sector demand and stronger NZ dollar.
- Increased margins from better buying discipline through centralised purchasing.
- Increasing levels of competition from smaller players now evident in the market.

Bitumen

$M	FY03			FY04		
	H1	H2	TOTAL	H1	H2	TOTAL
Sales	6.9	6.7	13.6	5.9	7.1	13.0
EBIT	0.7	0.7	1.4	0.4	0.9	1.3
EBIT/Sales Margin	10.7%	10.7%	10.7%	6.2%	13.3%	10.1%

- Much stronger second half with some recovery in volumes.
- Exceptional performance from emulsion spraying business
- Asphalt business expecting continued improvement.

Gaskets

$M	FY03 H1	FY03 H2	FY03 TOTAL	FY04 H1	FY04 H2	FY04 TOTAL
Sales	6.7	5.8	12.5	6.4	6.0	12.4
EBIT	0.6	0.6	1.2	0.9	0.9	1.8
EBIT/Sales Margin	9.6%	10.1%	9.9%	13.3%	16.1%	14.6%

- Improved margins due to lower cost of imported raw materials, and impact of prior year restructuring.
- Positive impact of restructuring on production efficiency.

Strategy

Operations

- Information and Communications Technology:
  - Information and Communication Technology strategy in place
  - Disaster Recovery – improvements being implemented
  - Telecommunications – currently changing carriers
  - Selection of ERP system expected in February 2005

Strategy

Operations cont'd

- Distribution Centre Review
  - Seeking expressions of interest in Morley site and considering new sites.

- Centralised Purchasing
  - complete for Industrial
  - to be completed in 2004/05 for Automotive
  - supplier rationalisation

Strategy

Operations cont'd

- Human Resources
  - core HR & OH & S systems in place
  - staff survey conducted
  - training and development

- Business process improvement initiatives
  - stock accuracy
  - stock mix and location
  - supply chain

Strategy

Growth

- Organic sales growth is number one focus
- Bolt-on acquisition growth eg Thompson's Spare Parts/Rod Smith Parts and Bearings
- Larger acquisition opportunities in existing businesses
- Acquisition opportunities which leverage the company's core competencies

Strategy

Outlook

- Trading conditions to remain satisfactory
- Strong levels of competition continuing especially in Industrial and Bitumen
- Lower growth rate in earnings per share in 2004/05
- Ongoing focus on underperforming business units