Coventry Group Ltd

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Dear Shareholder

The Board has today announced the financial results of Coventry Group Ltd (CGL) for the year ended 30 June 2005.

Financial Results

The 2004/05 financial year has been a challenging one with the economy slowing in some key geographic markets, increased competition in the industrial sector, and a major restructuring of CGL's automotive business unit.

A summary of the key results for the 2004/05 financial year is as follows:

- Operating revenue up 8% to $473.2 million
- Net profit after tax and before significant items down 10% to $13.7 million
- Net profit after tax up 12% to $16.9 million *
- Earnings per share up 10% to 46.8 cents
- Fully franked dividends:
    - final of 18 cents per share payable 23 September 2005
    - interim of 18 cents per share paid 18 March 2005
    - special of 30 cents per share paid 5 July 2005

* The Group's net profit includes the following "significant items":
- a profit after tax of $3.6 million from the sale of the Company's site at Morley and three other small company owned sites; and
- employee termination costs of $0.5 million associated with the restructure of the automotive business segment.

The reduction in net profit after tax and before significant items was due to the poor performance of the automotive business segment which recorded a 30% drop in profit (37% after significant items) from the prior year. However, Coventrys, the WA automotive and mining supplies operation, improved its underlying performance by 11%. The industrial business held its market position, with a 7 % improvement in net profit before interest and tax over the prior year. Of the two smaller businesses, gaskets recorded a profit increase of 7% and bitumen was down by 5%.

Improvement in operating performance is anticipated in the next twelve months, especially in the automotive division, although we expect strong price competition to continue in all sectors of operations. Two projects of significance for the 2005/06 financial year will be the implementation of a new computer system across the Group as well as commencement of work to relocate the Group's head office and automotive and mining supplies distribution centre in WA.

Dividend

A final dividend of 18 cents per share, fully franked, has been declared. The dividend will be paid on 23 September 2005 to shareholders registered as at 5.00 pm on 12 September 2005.

The directors also have reactivated the dividend reinvestment plan (DRP) for the final dividend. A discount of 2.5% will apply to the subscription price of shares to be issued under the DRP. Shareholders wishing to participate in the DRP for the first time will be required to lodge an application form by 12 September 2005 – the record date. Forms can be obtained by contacting CGL's share registry, Computershare Investor Services on 1300 557 010. Shareholders who were previously participating in the DRP and wish to continue to do so are not required to take any action.

Annual General Meeting

The 2005 annual general meeting will be held on Tuesday, 8 November 2005 at 2.00 pm at the Duxton Room 1, Duxton Hotel, 1 St Georges Tce, Perth, WA. The 2005 annual report together with the notice of meeting will be sent to shareholders by 5 October 2005.

I encourage shareholders to attend.

Sincerely

WARWICK KENT, AO
CHAIRMAN