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ASX media release

December 7, 2007

MARKET UPDATE

Coventry Group Ltd (Coventry) (ASX Code : CYG) wishes to update the market on matters related to its current trading.

The trends as highlighted in our market update of October 26, 2007 still pertain. Industrial and Gaskets continue to trade well in line with expectations. We did foreshadow that the results of the Automotive Division were being adversely impacted by the implementation of the new Compass information system into its major operation in Western Australia in late August closely followed by a relocation of its headquarters and distribution centre from Morley WA, where it had been based for 30 years, to a new purpose built "state of the art" centre in Redcliffe WA. These changes are having a greater disruption of the business and hence its trading results than had been anticipated. It is difficult to forecast with any certainty the likely financial impact on the overall trading results of Coventry but it now appears probable that the results for the half year to December 31, 2007 will show a pre tax profit significantly below that of the corresponding period in the previous year.

Coventry remains confident that the moves will enable the Automotive Division to show superior results in the future. It is premature at this stage to seek to update the market on the likely results for the full year.

For further information, please contact

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