Coventry Group Ltd

ABN 37 008 670 102

"REPOSITIONING THE PORTFOLIO"

Roger Flynn
Executive Chairman

Tony Hockley
Chief Financial Officer

Market Update March 2012

The Six Months Trading Results

A STORY IN 2 PARTS – REFLECTIVE OF "TWO SPEED ECONOMY"

- Strong results for fluids and gaskets
- Poor result for fasteners and hardware
- Resource driven demand in Western Australia and north Queensland very good for fluids and fastener businesses
- Overall profit before tax from continuing operations (excluding property sales) $5.8M

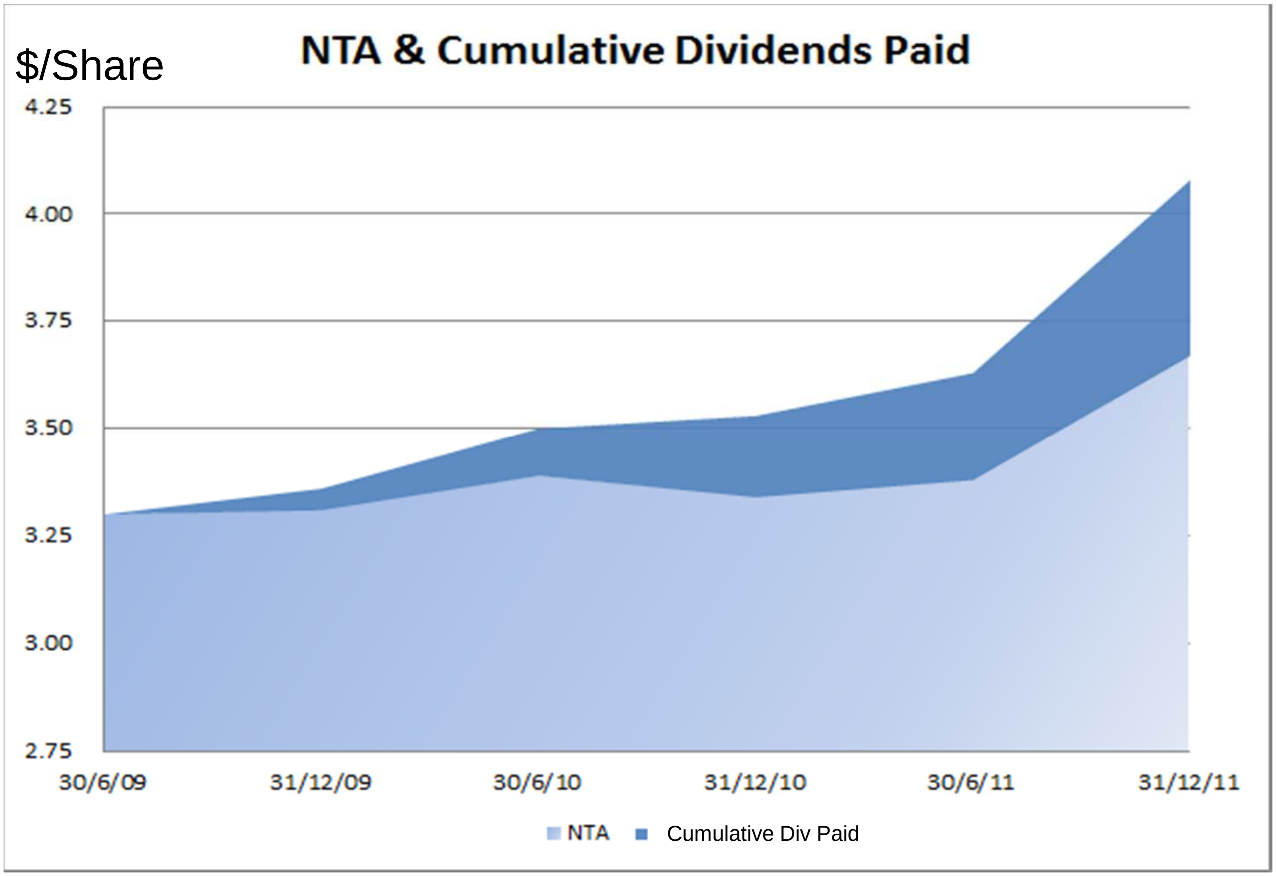
The Commitment to Shareholders

STRONG RETURNS FOR CONTINUING AND EXITING SHAREHOLDERS

- Total of $10M cash returned to shareholders during period by a combination of dividends ($6.3M) and buy back (to exiting shareholders of $3.7M)
- NTA/share up 9% to $3.67
- EPS for total Group 34.3c with EPS from continuing operations 25.7c (including profit on property sales)
- Total debt eliminated - $50M in cash at period end
- Share price outperformed market
- 11c fully franked dividend to be paid in March 2012

The Commitment to Shareholders

NTA HAS GROWN OVER THE LAST 2.5 YEARS WHILST REGROWING DIVIDENDS



Pursuing the Announced Strategy

THE ANNOUNCED STRATEGY EXECUTED TO PLAN

- Exit from Auto achieved successfully/smoothly
  Profit from disposal $4.8M including $4.5M for sale of auto business
- 15 properties sold at a profit ($9.0M), 3 contracted for sale in 2012, 1 yet to be sold
- Capital management program - $10M cash returned to shareholders
- Active program to market our IT capability (Managed System Services Pty Ltd) – 2 customers already secured
- Small investment – Fluidrive – in February 2012 to enhance our fluids business
- On going search for value enhancing acquisitions but disciplined approach to investment decision
- Majority of cash receipt planned from exit of Auto/related properties ($70M) was received in period (≈ $58M)

The Continuing Businesses

COVENTRY FASTENERS & HPF ARE STRONG LEADING PLAYERS WELL POSITIONED FOR CYCLICAL RECOVERY

• Geographic Markets	:	All states of Australia (QLD/WA largest), New Zealand
• Divisional Office	:	Perth, (54 branches)
• Dimensions	:	Sales $130m
		Employees 500
		EBIT: small loss currently but has historically been 9% Cap Empl $40m
• Key Markets	:	Infrastructure, construction (non-residential), fabrication
• Key Competitors	:	Blackwoods and many independents and multi-nationals
• Market Position	:	Strongest player in specialised fastening products
• Key Economic Drivers	:	Non-residential construction, infrastructure spend (public & private), general manufacturing activity

The Continuing Businesses (Cont'd)

COOPER FLUID SYSTEMS IS WELL LED & WELL PLACED TO CONTINUE GROWING

• Geographic Markets	:	WA, QLD, SA and small amount of export
• Divisional Office	:	Brisbane, (7 branches)
• Dimensions	:	Sales $80m Employees 130 EBIT 15% Cap Empl $20m
• Key Markets	:	Hydraulic hose/fittings to resource industry equipment
• Key Competitors / Market Position	:	Many – fragmented market
• Key Economic Drivers	:	Resource related activity

The Continuing Businesses (Cont'd)

ARTIA (CABINET FURNITURE AND HARDWARE) HAS A SMALL MARKET SHARE WITH GROWTH POTENTIAL

- Geographic Markets : All states of Australia and New Zealand
- Divisional Office : Melbourne, (8 branches)
- Dimensions : Sales $26m
  Employees 105
  EBIT is currently a loss of around 5%
  Additional loss in period for stock provisions $1.5M
  Cap Empl $14m
- Key Markets : Kitchen renovation, office furnishings, hospitality furnishing
- Key Competitors / Market Position : Many – fragmented market
- Key Economic Drivers : General level of domestic activity, house building, tourist related activity

The Continuing Businesses (Cont'd)

GASKETS IS THE MARKET LEADER & PERFORMING WELL

• Geographic Markets	:	Australia and New Zealand
• Divisional Office	:	Melbourne, (2 branches)
• Dimensions	:	Sales $14m Employees 60 EBIT strong (23%) Cap Empl $11m
• Key Markets	:	Auto repairers, performance vehicles (after market not OEM)
• Key Competitors / Market Position	:	Market leader Key competitor is ACL Gaskets (in administration)
• Key Economic Drivers	:	Level of vehicle repairs, sensitive to fuel price and price of new motor vehicles

Stocktake of Coventrys Key Strengths

SKILLS WE WILL LOOK TO LEVERAGE

- Good understanding of Australian and New Zealand industrial "landscape"
- Good manager of complex transaction driven businesses
  ie. large numbers of:
  - employees
  - customers
  - suppliers
  - SKU's
  - locations/distribution points/activities
- Good manager/developer of brands
- Strong logistics and IT capability – now being actively marketed under Managed System Services Pty Ltd

Pursuing the Strategy

WE WILL CONTINUE TO FOLLOW A DISCIPLINED PATH OF SHAREHOLDER VALUE CREATION

Coventry Group has $50M in cash and thus the resources to:

- undertake capital management initiatives – the Group at 31 December 2011 has $15.5M in franking credits ie. enough to fully frank $36M of dividends (including $4.3M to be paid in March 2012)
- invest in selected areas of current business portfolio to expedite growth
- invest in areas that have strong synergy with the current business portfolio
- invest in new business areas where these call for strengths that the Group possesses

Pursuing the Strategy (Continued)

- The Group has been actively seeking value enhancing investment opportunities for some time but with increased emphasis in the last 6 months.
- In general terms vendor price expectations are now more moderate.

However

- Board remains disciplined in its scrutiny of investment opportunities
- None other than the Fluidrive acquisition have met exacting scrutiny