



ASX media release

4 May 2009

MARKET UPDATE

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

With the release of its Financial Results for the six months ended 31 December 2008 in February 2009, Coventry stated in the Outlook section that "given the impact of the global financial crisis and the volatility created in many sectors it is very difficult to predict with any certainty the Group results for the full financial year by comparison to the 2007/8 financial result". The global economic crisis is now a reality and is adversely impacting the market conditions faced by the Industrial products business unit particularly in the resources sector and consequent infrastructure projects. This has negatively impacted the trading results of that business unit and it appears probable that this situation will continue for the remainder of the current financial year. In the Outlook we also foreshadowed that the results of the Automotive parts business unit would breakeven in the second half of the 2008/9 financial year and on current results and forecasts that view is still supported. The Gaskets manufacturing and distribution business unit continues to perform well. Both Industrial and Automotive business units continue to undertake systematic reviews of their operations and cost bases to scale the businesses to match the market demand.

The implementation of the new Compass information system into all of Coventry's wholly owned business units is targeted for completion by 30 June 2009 and the system is now operating effectively.

Coventry has continued to reduce its net debt to 31 March largely by working capital initiatives to reduce investment in trade receivables and inventories.

It remains difficult to forecast with any certainty the likely financial impact on the overall trading results of Coventry for the year ending 30 June 2009 but it now appears probable that those results will show a normalised EBIT very close to the result for the previous financial year (ie \$10m) and a Net Profit After Tax significantly below the previous year's \$6.9m.

For further information, please contact:

Roger Flynn
Executive Chairman

(08) 9436 5403