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ASX Media Release

## **BUSINESS AND PROPERTY SALES COMPLETED MARKET UPDATE**

Coventry Group Ltd (Coventry) (ASX Code: CYG) is pleased to announce that it has now successfully completed all business and property sales announced to the ASX during May 2008. Those sales are:

- sale of its Queensland automotive business to Burson Automotive Pty Ltd;
- sale of its Northern Territory automotive business to Repco Pty Ltd; and
- sale of surplus land previously occupied by its Bitumen business (the Bitumen business was sold in June 2007).

The financial outcome resulting from these sales will be included in the financial accounts for the year ending 30 June 2008. These sales have, in aggregate, generated approximately \$16m cash (net), in the current year, which will be used to repay debt. In addition further net cash will be generated in the coming financial year as surplus working capital associated with the Queensland automotive business is realised.

Net debt, which was approximately \$76m at 30 June 2007, is expected to be around \$55m at 30 June 2008. A further reduction in debt of similar or greater dimensions is expected over the next half year without any significant changes in the portfolio of businesses held but following further property sales and closer attention to working capital management.

Whilst the results for the year ending 30 June 2008 will not be available until late August, the Board is able to make the following comments.

During the current financial year the industrial and gasket businesses have performed well and this is expected to continue in the year ending 30 June 2009. The automotive business has traded at a loss over the current financial year but the level of losses has been reducing significantly as a result of actions taken. For the 2008/09 financial year it is expected that the trading results of the automotive business will show a major improvement on the current financial year.

The IT system roll-out is nearing completion and is proving to be much more stable than earlier in the year as a result of intensive efforts of both our IT and operational staff.

For further information please contact:

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