

ASX RELEASE

Quarter 3 FY 2018 – Trading Update

13 April 2018

Coventry Group Ltd (ASX: CYG) announced today that Group revenue for the third quarter and year to date have grown year on year as initiatives to improve our value proposition of quality products, stock availability, expertise and agility, deliver results.

Revenue

Percentage revenue change in the third quarter and year to date (YTD) for FY2018 when compared with the prior corresponding period (PCP) is shown below:

Revenue change	3QF18 Vs 3QF17 % revenue change	YTDF18 vs YTDF17 % revenue change
Cooper Fluid Systems	+22.5%	+21.5%
Trade Distribution	+6.8%	+5.3%
Consolidated Group excluding discontinuing operations	+12.6%	+11.0%

Note 1: The discontinuing operations of AA Gaskets have not been included.

Divisional Commentary

- Cooper Fluid Systems revenue has seen substantial growth with 3rd quarter sales up 22.5% on PCP. Sales growth is continuing to be driven by an increase in service and maintenance activity in the resources sector.
- Trade Distribution Australia has continued to show improvement with 3rd quarter sales up 4.5% on PCP and YTD revenue up 2.7% on PCP. Initiatives to improve business performance continue to be refined to accelerate the pace of improvement.
- Trade Distribution New Zealand continued to perform well in its key markets, with 3rd quarter revenue up 13.2% on PCP and YTD revenue up 12.8% on PCP.

Balance sheet

Working capital for the Group of \$49.9m as at 31 March 2018 (\$51.5m – 31 December 2017) underpins the Group's balance sheet.

Cost of doing business

With a sustained recovery in revenue trajectory underway, more work is required to right size the cost base of the Group to return it to profitability in 2019 and beyond. This work is ongoing with a

reduction in our costly Distribution Centre footprint most likely to deliver the biggest single benefit over the next 18 months.

Other matters

Market conditions remain positive in our key markets of construction, industrial and resources.

Longer term tenants continue to be sought for the property in Redcliffe, Perth.

Overall, we remain positive about the outlook for the Group.

For further information contact:

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