23 May 2013

Company Announcements Office
Australian Securities Exchange - ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Via e-lodgements: Sequence #691

Dear Sir / Madam

Chairman's Letter

Please see attached Chairman's Letter for release to the market.

Yours faithfully

Jennifer Waldegrave
Company Secretary

Coffey International Limited ABN 16 003 835 112
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22 May 2013

Dear Coffey Shareholder,

I am writing to draw your attention to the Trading Update issued by the Company on 13 May 2013.

Significantly softer market conditions

The significant deterioration in Australian market conditions has led to the Company issuing revised earnings expectations for the full year to 30 June 2013.

We now expect that the Company will report Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) for the year to 30 June 2013 of between $18 - $19 million and underlying EBITDA[1] between $27 - $29 million.

Since the beginning of April, Coffey and a number of other leading engineering consultancy firms have experienced a sudden and unprecedented number of contracted project deferments or cancelations. In our case, some 54 contracts worth approximately $13 - $14 million in fee revenue over the contract lifespan have been cancelled or delayed in just six weeks.

At the time of the Half Year Results in February, while we noted a sharp downturn in the Australian mining sector we expected that Coffey's diverse business revenues, together with benefits from prior restructuring, would underpin a return to profit growth this year. However, it is now clear that the downturn is affecting other sectors, including infrastructure and oil and gas, and we are now seeing the impact across our Australian Geosciences and Projects businesses.

On a positive note, I am pleased to report that the outlook for Coffey's second largest business, International Development, is unchanged, reflecting the nature of this business' longer term, stable revenue. We anticipate an EBITDA for this business of between $16 - $17 million for the year to 30 June 2013.

Management responsive to changing market conditions

I want to reassure shareholders that the Board and Management are responding quickly to these conditions. We have identified and are implementing further overhead and operating cost savings that regrettably involve approximately 150 redundancies. Additional cost savings will be achieved by consolidating some Australian offices. These changes will realign the cost base with our revised revenue expectations and improve utilisation rates.

At the same time, we are being careful to retain and redeploy specialist and senior talent within the business to maintain our competitive skill base for the longer term. This is being achieved through the transfer of some professional staff to overseas operations where market conditions are stronger and a number of employees moving to more flexible working arrangements.

The total cost of this additional restructuring will be between $7 - $8 million in the fourth quarter of this financial year.

Ongoing commitment to debt reduction

The work undertaken over the past two years to refocus and de-risk the business has placed Coffey in a stronger position to manage the deteriorating market conditions. Ongoing debt reduction and increased financial stability remain key priorities for the Board.

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[1] Underlying EBITDA – EBITDA before restructuring costs

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Over the past 18 months Coffey's net debt levels have more than halved and in February this year we extended Coffey's debt facility for a further three years, on improved terms. Earlier this week, we confirmed to the market that the Company is expected to meet all of its debt covenants for the foreseeable future. Coffey has a good and long standing relationship with its bank, and the bank continues to be strongly supportive of the Company, the Board and Management.

In the face of now much tougher conditions in Australia, which is the major market for our Geosciences business, we believe the prudent course of action is that no final dividend be paid for FY 2013.

The Board is disappointed at this recent deterioration, but variable market conditions are something that all companies must be able to manage periodically. The actions we are taking will bring the business in line with the contracted Australian market, and Management will continue to respond to changing market conditions.

More information

Enclosed for your information is a copy of the Company's Trading Update and a Statement from the Managing Director in relation to the Company's bank debt which was released to the market on 20 May 2013.

Following the release of Coffey's Trading Update to the market, John Douglas, Managing Director provided a briefing to institutional investors and analysts. The recorded briefing is now available for listening on the Coffey website (www.coffey.com) in the investor centre.

In addition, John Douglas presented to the Goldman Sachs Emerging Companies Conference on 16 May 2013, and a copy of the presentation is available for viewing or download on the Coffey website.

We will provide you with a further update on progress and outlook at the time of the full year results release in August.

Sincerely yours

John Mulcahy
Chairman

FOR IMMEDIATE RELEASE - ASX ANNOUNCEMENT

13 May 2013

COFFEY INTERNATIONAL LIMITED (ASX: COF) – TRADING UPDATE

Significantly softer market conditions adversely impact anticipated full year results

In our Market Update on 24 April 2013, we indicated that our Australian businesses were experiencing deteriorating market conditions. We noted the impact of falling commodity prices as well as a stubbornly high Australian dollar and an uncertain political environment. Since then it has become even clearer the Australian economy is contracting. This in turn has led to increased project cancellations and delays.

Coffey International Limited (Coffey) has today announced revisions to its full year earnings estimates as a result of a significant softening in Australian market conditions since the end of the first half of FY2013.

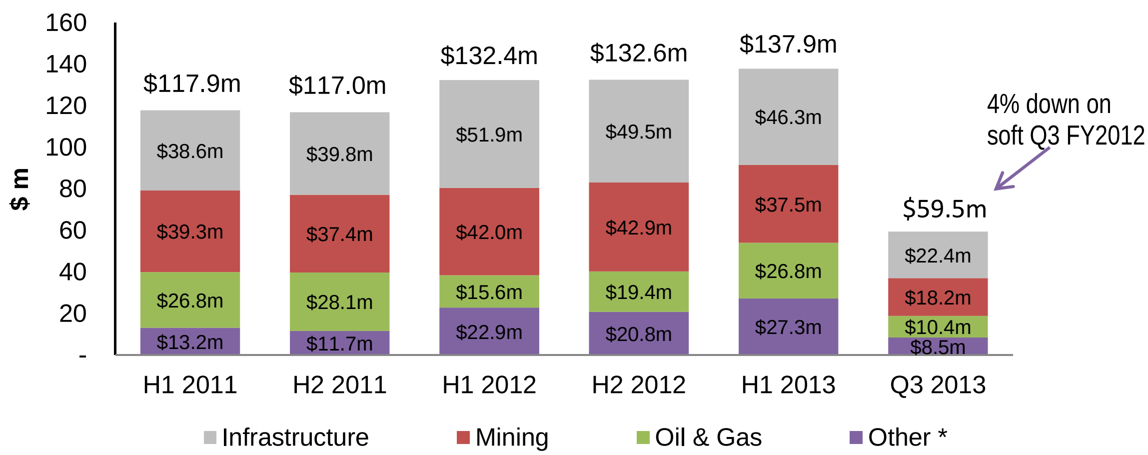
- Reported EBITDA[1] FY2013 is anticipated to be between $18 – $19 million
- Underlying EBITDA[2] FY2013 is anticipated to be between $27 – $29 million
- Geosciences fee revenue for Q3 FY2013 is lower than the prior comparable period and margins are adversely impacted. Further project delays are occurring in Q4 FY2013.
- Additional restructuring costs of $7 – $8 million will be incurred in Q4 FY2013 with benefits being realised in FY2014 (total FY2013 restructuring costs will be $9 – $10 million)
- International Development continues to perform in line with H1 outcomes and Coffey expects its FY2013 EBITDA to be $16 – $17 million
- No final dividend for FY2013

Impact on full year results driven by Australian Geosciences

The softening market conditions have impacted the Australian Geosciences and Project Management businesses. Although our offshore Geosciences businesses are similarly exposed to lower commodity prices, the cost pressures on offshore projects are less pronounced. Some regions such as Christchurch, Calgary and Toronto remain buoyant.

We began seeing the impact of these project delays on our Geosciences revenue in Q3 FY2013. Geosciences fee revenues for the March quarter of $59.5 million were 4% lower than the previous corresponding quarter, which was not a strong quarter.

Geosciences Fee Revenue by Sector



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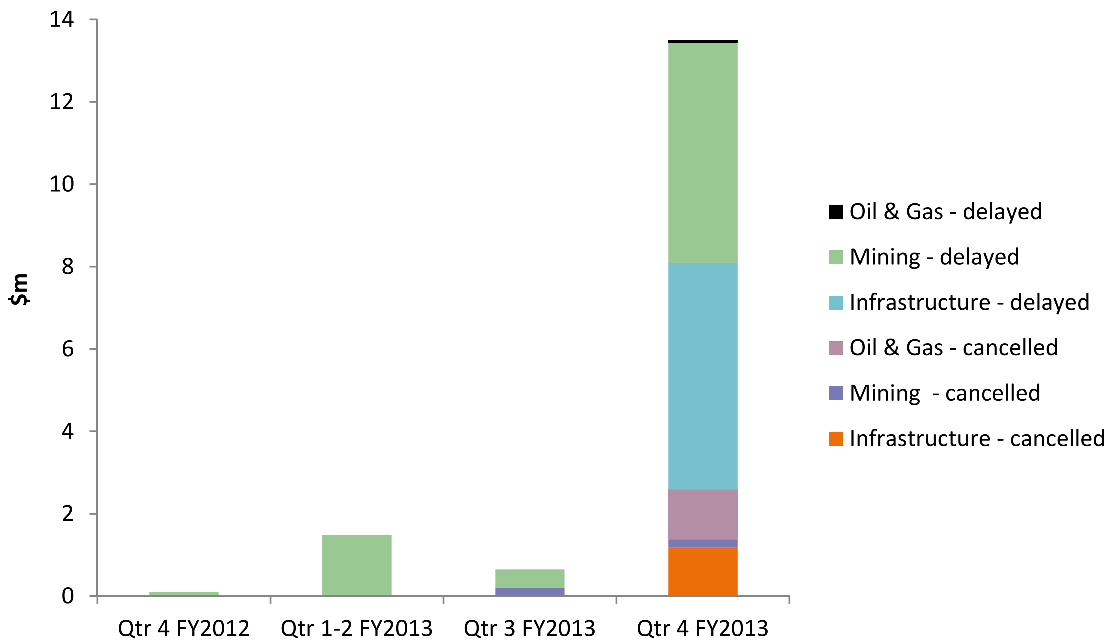
[1] EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation
[2] Underlying EBITDA – EBITDA before restructuring costs

As illustrated in the chart below, a significantly higher number of Geosciences projects have been delayed or to a lesser extent cancelled in the current quarter compared with the year to 31 March 2013. These delays were initially mostly in the mining sector, and are now across a range of sectors including infrastructure and oil and gas.

In the past 6 weeks, 54 contracted Geosciences projects have been delayed or cancelled.

Geosciences Contracted Projects Delayed or Cancelled
(Coffey Fee Revenue - cumulative value)



The outlook for our International Development business is unchanged. The business continues to deliver steady revenue streams and consistent margins. As such, we anticipate the full year EBITDA for this business will be between $16 – $17 million.

Management responsive to the market conditions

While our strategy is unchanged, we have had to respond to deteriorating Australian market conditions and resultant project delays. Regrettably, approximately 150 redundancies across the Australian Geosciences and Projects businesses and associated overhead structure are being implemented. Further cost savings will be achieved by consolidating some Australian offices. These actions will realign the cost base of the Australian Geosciences and Projects businesses to the anticipated revenue line, and will provide a reduction in overhead costs moving forward.

Positively, we have already and continue to redeploy specialist skills and senior talent into growth markets overseas and in regional Australia. This has meant capabilities are being retained within the business and has resulted in improved local utilisation and immediate benefits for our clients in those markets. Additionally, a number of employees are moving to more flexible employment arrangements.

The total cost of this additional restructuring will be $7 – $8 million in Q4 FY2013, which results in full year restructuring costs of $9 – $10 million. There will be a cash flow impact from the restructuring costs this financial year, with the benefits expected to be realised next financial year.

Ongoing commitment to debt reduction
We now anticipate Coffey's Underlying EBITDA for FY2013 will be between $27 – $29 million. Reported FY2013 EBITDA is expected to be $18 – $19 million, following total restructure costs for the year of $9 – $10 million.

Continuing to reduce our debt and increase our financial stability remain key priorities of our strategy. However, given the cash flow impact from the restructuring costs this financial year, and the deteriorating economic conditions in Australia, a final dividend for FY2013 will not be paid.

Future trading updates
Coffey will announce its 2013 full year results on 12 August 2013. In addition to our scheduled results updates, we will provide an update on Q1 trading conditions at the AGM and a trading update in early May 2014 following finalisation of our March and April internal management accounts.

Investor Briefing
Mr John Douglas, Managing Director, will hold an investor briefing at 10:00am AEDT on Monday 13 May 2013. To participate in this briefing please contact Christine Bowen.

Ends.

For further information contact:

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About Coffey International Limited
Every Coffey relationship is built on trust.

Whether it's in geosciences, project management or international development. Trust that's hard-earned through our proven expertise, our depth of global experience and our commitment to stay one step ahead.

Our united group of specialists – many of whom number among the best in the world – take enormous pride in collaborating with our project partners. By digging deeper. Thinking smarter.

And seeing further. All so we can deliver the smartest solutions, every time.

Coffey is listed on the Australian Securities Exchange (ASX: COF). Visit coffey.com

FOR IMMEDIATE RELEASE – ASX ANNOUNCEMENT

20 May 2013

COFFEY INTERNATIONAL (ASX:COF) – UPDATE

Following Coffey International Limited's (Coffey) Trading Update on 13 May 2013, Coffey has received numerous questions in relation to its bank debt and applicable covenants.

In a statement today, Managing Director, John Douglas said:

"As a matter of policy, Coffey does not comment on its banking covenants, regarding them as part of a confidential contract with our bank. I can however confirm that:

- Coffey's covenants are entirely related to the Company's financial performance. For the avoidance of any doubt, Coffey's covenants are not now and never have been linked to the market value of our shares, which is outside the company's control
- As reported on April 24, Coffey met all banking covenants in March 2013
- Management has a very high level of conviction that the company will meet all banking covenants in June and for the foreseeable future
- Management has not issued guidance for FY2014 but expects the benefits of the recently announced restructure to contribute to ongoing strong cashflows
- Coffey has a good and long standing relationship with its bank. Coffey's banking facilities were recently renewed for a further three years to February 2016. The bank continues to be strongly supportive of the the company, its board and its management."

-Ends-

For More Information:

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About Us

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