

15 February 2012

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

Via e-lodgements: Sequence #619

Dear Sir / Madam

APPENDIX 4D - RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Please find attached the Interim Financial Report in relation to the Company's results for the half year ended 31 December 2011.

Yours faithfully



Jennifer Waldegrave
Company Secretary

Coffey International Limited
ABN 16 003 835 112

Appendix 4D - Results for announcement to the market
and
Interim Financial Report
Half-year Ended 31 December 2011

Lodged with the ASX under Listing Rule 4.2A

COFFEY INTERNATIONAL LIMITED
Results for announcement to the market
For the half-year ended 31 December 2011
(Comparative information is for the half-year ended 31 December 2010)

Financial Results				\$A'000
Total revenue and other income [^]	decreased	(9%)	to	334,863
Fee revenue [^]	decreased	(5%)	to	212,507
EBITDA [^]	Increased	123%	to	23,033
Underlying EBITDA [^] (EBITDA before restructuring costs and impairment) *	Increased	47%	to	23,033
Earnings before interest and tax (EBIT) [^]	increased	262%	to	18,578
Profit after income tax for the period attributable to members [^]	increased	199%	to	4,641
[^] includes both continuing and discontinued operations				
Dividends		Amount per security (cents)	Franked amount per security (cents)	
Interim dividend	- Current year	0 cents	0 cents	
	- Prior year	0 cents	0 cents	
Final dividend	- Current year	N/A	N/A	
	- Prior year	0 cents	0 cents	
No interim dividend has been declared for the half-year reporting period ending 31 December 2011.				
NTA Backing		Dec 2011	June 2011	
Net tangible asset backing per ordinary security		5.1 cents	(23.0) cents	
The capital raising during the half year has resulted in a positive NTA.				
Commentary on Results				
The commentary on the results for the half year is contained in a separate ASX announcement dated 15 February 2012 which should be read in conjunction with this interim financial report.				
* Underlying EBITDA Reconciliation		Dec 2011	Dec 2010	% Change
Underlying EBITDA		23,033	15,596	47%
Restructuring costs		-	5,288	-
Impairment		-	-	-
EBITDA		23,033	10,308	123%
EBITDA – Continuing operations		20,358	10,558	
EBITDA – Discontinued operations		2,675	(250)	
		23,033	10,308	
Underlying EBITDA has been disclosed as it is a key measure used by the Chief Executive Officer (as Chief Operating Decision Maker) and management to monitor and assess the performance of the business. Underlying EBITDA is calculated as profit before net financing costs, depreciation, amortisation and taxation and excludes restructuring and impairment charges.				

Coffey International Limited

ABN 16 003 835 112

Interim Financial Report for the half-year ended 31 December 2011

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Coffey International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

Your directors present their report on the consolidated entity consisting of Coffey International Limited and the entities it controlled (the Group) at the end of, or during, the half-year ended 31 December 2011.

Directors

The following persons were directors of Coffey International Limited during the half-year and up to the date of this report:

John F Mulcahy (Chairman and Non-Executive Director)
Stephen R Williams (Non-Executive Director)
Stuart A Black (Non-Executive Director)
Charles E Jamieson (Non-Executive Director)
Susan M Oliver (Non-Executive Director)
John Douglas (Managing Director)

Review of Operations

There have been no material changes to the Group's operations during the half year ended 31 December 2011.

The Company has recorded revenue and other income from continuing operations for the half year of \$327,689,030 which represents a 9% decrease on the prior comparative period. In addition, revenue and other income of \$7,174,469 was recorded from discontinuing operations.

Net profit after income tax attributable to the members of the Company was \$4,641,371 for the half year which represents a 199% increase on the prior comparative period.

Basic earnings per share for the half year was 2.8 cents per share, which compares with (3.6) cents in the prior comparative period.

Coffey International Limited raised a total of \$36,948,445 under an entitlements issue that closed on 8 November 2011. These funds were used to assist with the recapitalisation of the Group balance sheet by reducing bank debt.

The Rail consulting business is classified as a "disposal group held for sale" in this financial report. Coffey entered into a share sale agreement on 5 December 2011 which is expected to be completed in late February 2012 for a cash consideration of \$9,000,000.

The commentary on the results for the half year is contained in a separate ASX announcement dated 15 February 2012 which should be read in conjunction with this interim financial report.

Dividends – Coffey International Limited

Final ordinary dividend for the year ended 30 June 2011 of nil cents (2010 – 3.5 cents) per fully paid share.

No interim dividend has been declared for the half year period ended 31 December 2011.

Directors' report (continued)

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



John F Mulcahy
Chairman



John Douglas
Managing Director

Sydney
14 February 2012



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Coffey International Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

John Wigglesworth
Partner

Sydney

14 February 2012

Consolidated income statement

For the half-year ended 31 December 2011

	Notes	2011 \$'000	Represented * 2010 \$'000
Continuing Operations			
Revenue	3	326,634	358,231
Other income		1,055	645
Raw materials, subcontractor costs and travel		(112,530)	(131,648)
Employee benefits expense		(158,026)	(171,898)
Depreciation and amortisation		(4,410)	(5,122)
Occupancy costs		(11,580)	(13,731)
Other expenses		(25,820)	(28,615)
Net foreign exchange profit/(loss)		625	(2,426)
Profit before interest and income tax		15,948	5,436
Interest income		120	139
Financing expenses		(9,531)	(7,468)
Profit/(Loss) before income tax		6,537	(1,893)
Income tax expense		(3,920)	(2,383)
Profit/(Loss) for the year – Continuing Operations		2,617	(4,276)
Discontinued Operations			
Profit/(loss) from discontinued operations (net of income tax)	5	2,195	(470)
Profit/(Loss) for the year		4,812	(4,746)
Profit/(Loss) attributable to:			
Members of Coffey International Limited		4,641	(4,687)
Non-controlling interest		171	(59)
Profit/(Loss) for the year		4,812	(4,746)
Earnings per share attributable to the ordinary equity Shareholders of the company:			
Basic earnings per share (cents)	11	2.8c	(3.6)c
Diluted earnings per share (cents)	11	2.5c	(3.6)c
Earnings per share attributable to the ordinary equity Shareholders of the company – Continuing operations			
Basic earnings per share (cents)	11	1.5c	(3.3)c
Diluted earnings per share (cents)	11	1.3c	(3.3)c

The above consolidated income statement should be read in conjunction with the accompanying notes.

*Comparatives represented for discontinuing operations. See note 5.

Consolidated statement of comprehensive income

For the half-year ended 31 December 2011

	2011	2010
	\$'000	\$'000
Profit/(Loss) for the year	4,812	(4,746)
Other comprehensive income/(expense)		
Continuing operations		
Exchange differences on translation of foreign operations	273	(8,111)
Realised gain on foreign exchange contracts	(1,350)	(1,087)
Effective portion of changes in fair value of cash flow hedges	(1,270)	5,357
Ineffective hedge instruments transferred to profit and loss	1,554	-
Income tax on other comprehensive income and expense	393	(272)
Sub-total – continuing operations	(400)	(4,113)
Discontinuing operations		
Exchange differences on translation of foreign operations	-	(421)
Sub-total – discontinuing operations	-	(421)
Other comprehensive income /(expense) for the year, net of tax	(400)	(4,534)
Total comprehensive income /(expense) for the year	4,412	(9,280)
Total comprehensive income /(expense) attributable to:		
Members of Coffey International Limited	4,383	(9,171)
Non-controlling interest	29	(109)
Total comprehensive income /(expense) for the year	4,412	(9,280)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2011

	Notes	Consolidated	
		December 2011 \$'000	June 2011 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		30,824	23,680
Cash deposits	6	3,043	2,922
Trade and other receivables		110,004	111,927
Other financial assets		411	2,062
Work in progress		37,329	27,717
Income tax receivables		3,946	5,579
Assets classified as held for sale		8,189	9,954
<i>Total current assets</i>		193,746	183,841
Non-current assets			
Cash deposits	6	3,195	3,005
Receivables		242	222
Property, plant and equipment		25,484	26,631
Deferred tax assets		17,602	17,060
Intangible assets		145,893	147,080
<i>Total non-current assets</i>		192,416	193,998
Total assets		386,162	377,839
LIABILITIES			
Current Liabilities			
Bank overdraft	7	5,412	5,948
Trade and other payables		56,242	57,133
Loans and borrowings	7	198	40,823
Other financial liabilities		58	1,789
Deferred purchase consideration		3,323	3,551
Employee benefits		34,399	27,548
Liabilities classified as held for sale		765	1,752
<i>Total current liabilities</i>		100,397	138,544
Non-current liabilities			
Loans and borrowings	7	108,986	104,030
Other financial liabilities		4,405	3,538
Deferred tax liabilities		225	312
Employee benefits		1,508	1,277
Other non-current liabilities		6,320	7,703
<i>Total non-current liabilities</i>		121,444	116,860
Total liabilities		221,841	255,404
Net assets		164,321	122,435
EQUITY			
Share capital	8	232,956	195,917
Reserves		(2,353)	(2,530)
Accumulated losses		(67,377)	(72,018)
Equity attributable to ordinary equity holders of the company		163,226	121,369
Non controlling interest		1,095	1,066
Total equity		164,321	122,435

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2011

	Attributable to equity holders of the company						Total \$'000	Non controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Hedging reserve \$'000	Put option reserve \$'000	Retained earnings \$'000			
Balance at 1 July 2011	195,917	(14,185)	15,653	(256)	(3,742)	(72,018)	121,369	1,066	122,435
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	4,641	4,641	171	4,812
<i>Other comprehensive income</i>									
Exchange differences on translation of foreign operations	-	415	-	-	-	-	415	(142)	273
Realised exchange gain on foreign exchange contracts	-	-	-	(1,350)	-	-	(1,350)	-	(1,350)
Changes in fair values of cash flow hedges, net of tax	-	-	-	(1,270)	-	-	(1,270)	-	(1,270)
Ineffective hedge instruments transferred to profit and loss	-	-	-	1,554	-	-	1,554	-	1,554
Income tax on other comprehensive income	-	306	-	87	-	-	393	-	393
Total other comprehensive income	-	721	-	(979)	-	-	(258)	(142)	(400)
Total comprehensive income for the period	-	721	-	(979)	-	4,641	4,383	29	4,412
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners</i>									
Issue of ordinary shares	39,974	-	-	-	-	-	39,974	-	39,974
Equity Issue costs net of tax	(2,935)	-	-	-	-	-	(2,935)	-	(2,935)
Share based payments transactions	-	-	435	-	-	-	435	-	435
Total contributions by and distributions to owners	37,039	-	435	-	-	-	37,474	-	37,474
Balance at 31 December 2011	232,956	(13,464)	16,088	(1,235)	(3,742)	(67,377)	163,226	1,095	164,321

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2010

Attributable to equity holders of the company

	Share capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Hedging reserve \$'000	Put option reserve \$'000	Retained earnings \$'000	Total \$'000	Non controlling interest \$'000	Total equity \$'000
Balance at 1 July 2010	193,662	(5,873)	14,459	(3,573)	(4,193)	1,911	196,393	1,824	198,217
Total comprehensive income for the period									
Loss for the period	-	-	-	-	-	(4,687)	(4,687)	(59)	(4,746)
<i>Other comprehensive income</i>									
Exchange differences on translation of foreign operations	-	(8,482)	-	-	-	-	(8,482)	(50)	(8,532)
Realised exchange gain on foreign exchange contracts	-	(1,087)	-	-	-	-	(1,087)	-	(1,087)
Changes in fair values of cash flow hedges, net of tax	-	-	-	5,357	-	-	5,357	-	5,357
Income tax on other comprehensive income	-	1,335	-	(1,607)	-	-	(272)	-	(272)
Total other comprehensive income	-	(8,234)	-	3,750	-	-	(4,484)	(50)	(4,534)
Total comprehensive income for the period	-	(8,234)	-	3,750	-	(4,687)	(9,171)	(109)	(9,280)
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners</i>									
Own shares sold	86	-	-	-	-	-	86	-	86
Dividends paid to equity holders	1,176	-	-	-	-	(4,222)	(3,046)	-	(3,046)
Share based payments transactions	-	-	1,207	-	-	-	1,207	-	1,207
Total contributions by and distributions to owners	1,262	-	1,207	-	-	(4,222)	(1,753)	-	(1,753)
Balance at 31 December 2010	194,924	(14,107)	15,666	177	(4,193)	(6,998)	185,469	1,715	187,184

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated cash flow statement

For the half-year ended 31 December 2011

	Consolidated	
	December 2011	December 2010
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	353,347	400,568
Payments to suppliers and employees (inclusive of goods and services tax)	(333,983)	(384,997)
	19,364	15,571
Interest received	120	138
Interest paid	(7,019)	(6,743)
Net income taxes paid	(1,666)	(4,378)
Net cash inflow from operating activities	10,799	4,588
Cash flows from investing activities		
Payments for plant and equipment	(3,233)	(9,105)
Payments for intangible assets	-	(558)
Payment of deferred consideration	-	(830)
Proceeds from sale of plant and equipment	120	-
Net cash outflow from investing activities	(3,113)	(10,493)
Cash flows from financing activities		
Repayment of borrowings	(37,000)	(10,000)
Proceeds from borrowings	-	21,000
Proceeds from issue of own shares (net of capital raising costs)	36,948	86
Dividends paid to shareholders	-	(3,043)
Payment of finance lease liabilities	(237)	(395)
Net cash (outflow)/ inflow from financing activities	(289)	7,648
Net increase in cash held	7,397	1,743
Cash and cash equivalents at the beginning of the period	17,792	26,968
Effects of exchange rate changes on cash	223	(2,979)
Cash and cash equivalents at the end of the period *	25,412	25,732

* The current and non-current cash deposits (note 6) have not been included in the closing cash balance for the purposes of preparing the 31 December 2011 and the prior year comparative consolidated cash flow statement as this represents restricted cash.

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the half-year ended 31 December 2011

1 Summary of significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated financial report of the Group comply with International Accounting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Coffey International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2011.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

(a) Estimates

The preparation of financial statements requires management to make adjustments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2011.

2 Operating segments

The Group has four reportable segments, as described below, which are based on the Group's service lines. The service lines are managed separately because they have different economic characteristics. For each service line, the Group's Managing Director, in his role as the chief operating decision maker, reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

a) Geosciences

The Geoscience business offers specialised environmental services, engineering consultancy, and technical services to the mining industry, scientific testing solutions and work place health and safety services. This segment operates in Australia, New Zealand, Canada, UK, Brazil, Africa and the Middle East.

b) International Development

The International Development business works in markets where economic growth creates demand for mature public services and infrastructure; and in countries which are at risk of conflict or natural disaster, or which are emerging from it. The business delivers consulting and training services and outsourced service delivery solutions that contribute to sustainable growth. This segment offers international development (foreign aid) consultancy services out of Australia, USA, UK and the Middle East.

c) Project Management

The Project Management business provides specialist project management services in commercial, retail, residential, tourism and hospitality, industrial, urban redevelopment, health, education, justice and transportation infrastructure projects. This segment operates in Australia, New Zealand and South Africa.

d) Other businesses

This segment offers specialist advisory services within Australia

Notes to the financial statements

For the half-year ended 31 December 2011

2 Operating segments (continued)

Unallocated corporate comprises group corporate management and group treasury activities.

The accounting policies of the reportable segments are the same as described in note 1. Information regarding the results of each reportable segment is included below. Performance is measured based on segment EBITDA and EBIT included in the monthly management reports that are reviewed by the Managing Director. Segment EBITDA and EBIT is used to measure performance as management believes that such information is the most relevant in evaluating results relative to other entities that operate within the same industries and geographic location.

As a result of the restructure undertaken in January 2011, the change in how the Group is managed and reported has resulted in a change to the operating segments to a service line basis (previously a regional basis in 2010). In line with the requirements of *AASB8 Operating Segments*, the Segment Information previously reported at 31 December 2010 has been represented.

Notes to the financial statements

For the half-year ended 31 December 2011

2 Operating segments (continued)

	Geoscience	International Development	Project Management	Other Businesses	Total Segments	Unallocated Corporate	Elimination	Total
2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fee Revenue	132,441	54,228	19,307	1,195	207,171	-	-	207,171
Inter-segments sale	463	111	153	654	1,381	275	(1,656)	-
Reimbursable revenue								119,463
Other income								1,055
Total Revenue from continuing operations								327,689
EBITDA	16,341	8,019	(24)	(255)	24,081	(3,723)	-	20,358
Depreciation and amortisation expense	(3,241)	(1,073)	(84)	(12)	(4,410)	-	-	(4,410)
EBIT result	13,100	6,946	(108)	(267)	19,671	(3,723)	-	15,948
Net interest expense	-	-	-	-	-	(9,411)	-	(9,411)
Profit before income tax and discontinuing operations								6,537
Income tax expense								(3,920)
Profit from discontinued operations								2,195
Non-controlling interest								(171)
Profit for the year attributable to members of the Company								4,641
Segment assets	182,979	128,065	52,614	1,828	365,486	12,487	-	377,973
Assets held for sale								8,189
Total assets								386,162
Segment liabilities	56,402	41,238	9,290	629	107,560	113,517	-	221,076
Liabilities held for sale								765
Total liabilities								221,841

Notes to the financial statements

For the half-year ended 31 December 2011

2 Operating segments (continued)

2010*	Geosciences \$'000	International Development \$'000	Project Management \$'000	Other Businesses \$'000	Total Segments \$'000	Unallocated Corporate \$'000	Elimination \$'000	Total \$'000
Fee Revenue	117,920	67,499	26,521	3,866	215,806	-	-	215,806
Inter-segments sale	7,918	15	1,410	104	9,447	465	(9,912)	-
Reimbursable revenue								142,425
Other income								645
Total Revenue from continuing operations								358,876
Underlying EBITDA (before impairment and restructuring costs)	8,199	10,399	745	63	19,406	(3,560)	-	15,846
Restructuring costs	(4,213)	(112)	(397)	(72)	(4,794)	(494)	-	(5,288)
EBITDA	3,986	10,287	348	(9)	14,612	(4,054)	-	10,558
Depreciation and amortisation expense	(3,408)	(923)	(791)	-	(5,122)	-	-	(5,122)
EBIT result	578	9,364	(443)	(9)	9,490	(4,054)	-	5,436
Net interest expense	-	-	-	-	-	(7,329)	-	(7,329)
Profit before income tax and discontinuing operations								(1,893)
Income tax expense								(2,383)
Loss from discontinued operations								(470)
Non-controlling interest								59
Profit for the year attributable to members of the Company								(4,687)
Segment assets	184,581	119,521	54,650	3,282	362,034	5,851	-	367,885
Assets held for sale								9,954
Total assets								377,839
Segment liabilities	52,424	40,393	10,871	1,663	105,351	148,301	-	253,652
Liabilities held for sale								1,752
Total liabilities								255,404

Notes to the financial statements

For the half-year ended 31 December 2011

2 Operating segments (continued)

Geographical Information	2011 \$'000	2011 \$'000	2011 \$'000	2010 \$'000	June 2011 \$'000	June 2011 \$'000
	Revenue and other income	Non-current assets	Deferred tax assets	Revenue and other income	Non-current assets	Deferred tax assets
Australia	207,383	112,776	15,787	209,633	112,005	14,524
New Zealand	8,338	18,144	374	8,270	19,856	438
Americas	82,518	20,312	1,315	110,588	28,761	1,800
UK	16,031	12,904	8	16,531	13,144	-
Middle east	12,813	7,448	24	16,138	1,333	33
Africa	7,780	3,230	94	5,626	1,839	265
Total	334,863	174,814	17,602	366,786	176,938	17,060

Split by:

Continuing	327,689	174,814	17,602	358,876	176,938	17,060
Discontinuing	7,174	-	-	7,910	-	-
	334,863	174,814	17,602	366,786	176,938	17,060

3 Revenue and other income

Continuing Operations	December 2011 \$'000	December 2010 \$'000
Fee revenue	207,171	215,806
Reimbursable revenue	119,463	142,425
Total revenue	326,634	358,231
Other income	1,055	645
Total – Continuing operations	327,689	358,876
 Discontinuing operations		
Fee revenue	5,336	6,751
Reimbursable revenue	589	1,159
Sub-total	5,925	7,910
Other income	1,249	-
Total – Discontinuing operations	7,174	7,910
 Total revenue and other income	 334,863	 366,786

Notes to the financial statements

For the half-year ended 31 December 2011

4 Dividends

	December 2011 \$'000	December 2010 \$'000
Ordinary shares		
Dividend provided for or paid during the half-year	-	4,222

5 Discontinued operations

In June 2011, the Group sold its Environmental consulting business based in Los Angeles, California (part of Geoscience segment), and committed to selling the Rail consulting business (part of other businesses) based in Melbourne, Victoria. Neither business was classified as a discontinued operation or as a held for sale as at 31 December 2010. The sale of the Rail consulting business is expected to be completed in early 2012.

The comparative consolidated income statement has been re-presented to show the discontinued operations separately from continuing operations.

	2011 \$'000	2010 \$'000
Results of discontinued operations		
Revenue	5,925	7,910
Expenses	(4,544)	(8,210)
Profit/(loss) from operating activities	1,381	(300)
Income tax expense	(435)	(170)
Profit/(Loss) from operating activities, net of tax	946	(470)
Other Income - Fair value adjustment to assets classified as held for sale	1,249	-
Profit/(Loss) for the year	2,195	(470)

The profit from discontinued operations of \$2,195,342 (2011: Loss of \$469,067) is attributed entirely to the owners of the Company.

	2011 \$'000	2010 \$'000
Cash flow from discontinued operations		
Net cash inflow from operating activities	2,387	156
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash inflows for the year	2,387	156

6 Cash deposits

	December 2011 \$'000	June 2011 \$'000
Current asset		
Interest bearing deposits	3,043	2,922
Non-current asset		
Interest bearing deposits	3,195	3,005
Total cash deposits	6,238	5,927

The cash deposits relate to contract revenue received in advance and held on deposit as security against a stand-by letter of credit on issue for these contracts.

Notes to the financial statements

For the half-year ended 31 December 2011

7 Loans and borrowings

	December 2011 \$'000	June 2011 \$'000
Current		
Bill Payable	-	40,500
Finance lease and other liabilities	198	323
Sub Total	198	40,823
Bank overdrafts	5,412	5,948
Total current borrowings	5,610	46,771
Non-current		
Bills payable^	108,935	103,867
Finance lease and other liabilities	51	163
Total non-current borrowings	108,986	104,030
Total loans and borrowings	114,596	150,801

^Included in the bills payable are capitalised facility establishment fees of \$2,352,665 (June 2011: \$2,940,833) which are being amortised over the term of the loan facility.

During the period the Group used the proceeds of its share issue of \$36,948,445 to repay part of its Facility.

Credit standby arrangements

Total facilities

Secured bill and bank overdraft facility	142,000	179,000
Guarantee facility	20,000	20,000
Guarantee facility – contract specific	6,239	5,991
	168,239	204,991

Used at balance date

Secured bill and bank overdraft facility	116,700	153,255
Guarantee facility	11,118	10,293
Guarantee facility – contract specific	6,239	5,991
	134,057	169,539

Unused at balance date

Secured bill and bank overdraft facility	25,300	25,745
Guarantee facility	8,882	9,707
Guarantee facility – contract specific	-	-
	34,182	35,452

Total facilities summary

Total facilities	168,239	204,991
Used at balance date	134,057	169,539
Unused at balance date	34,182	35,452

Total group bank facility

The Group cash advance and overdraft facilities of \$142,000,000 are a combination of \$77,000,000 for facility A, \$46,650,000 for facility B and overdraft facilities of \$18,350,000. In addition, the group has a general guarantee facility of \$20,000,000 and a specific client contract facility of USD\$6,347,700 (AUD\$6,238,525).

Facility A of \$77,000,000 and Facility B of \$46,650,000 have a three year term ending February 2014. The overdraft and the general guarantee facility are annual revolving facilities. The Group's facilities are subject to security over certain assets of the Group.

In addition to the above facilities, the Group has a \$4,000,000 credit card facility, and a \$10,000,000 EFT payment facility.

Notes to the financial statements

For the half-year ended 31 December 2011

8 Share capital

	6 months ended December 2011 Shares	12 months ended June 2011 Shares	6 months ended December 2011 \$'000	12 months ended June 2011 \$'000
Movements in share capital				
Balance at the beginning of the period	134,066,081	129,035,760	195,917	193,662
Dividend Reinvestment Plan	-	1,175,533	-	1,176
Coffey Rewards Share Plan	-	2,623,073	-	-
Rights issue*	105,193,946	-	37,039	-
Shares issued related to deferred compensation for the purchase of Management Systems International	-	1,231,715	-	993
Sale of forfeited shares	-	-	-	86
	239,260,027	134,066,081	232,956	195,917

*Coffey International Limited raised net cash proceeds of \$36,948,445 under an entitlements issue that closed 8 November 2011. In addition deferred tax on capital raising costs of \$90,757 was credited to equity thus resulting in an increase of contributed equity of \$ 37,039,202. The equity capital raising was for a 1 for 1.75 accelerated non-renounceable entitlement offer of new shares in the Company at \$0.38 per share to eligible shareholders. An offer of any shortfall was also made to eligible shareholders and investors. These funds were used to assist with the recapitalisation of the Group balance sheet by reducing bank debt.

9 Contingent liabilities

Guarantees

There have been no material changes in contingent liabilities in the form of guarantees since the date of the 2011 Annual Report.

General

There are potential professional indemnity claims which have been notified to the Company. Professional indemnity notifications have rarely eventuated as claims but in the event they do become claims and are successful it is expected they will be adequately covered by the insurance policy held by the Company.

No material losses are anticipated in respect of any of the above contingent liabilities.

10 Events occurring after the balance sheet date

There were no matters or circumstances specific to Coffey that have arisen since 31 December 2011 that have significantly affected or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Notes to the financial statements

For the half-year ended 31 December 2011

11 Earnings per share

	December 2011	December 2010
	Cents	Cents
a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	1.5	(3.3)
From discontinued operations	1.3	(0.3)
Total basic earnings per share attributable to the ordinary equity holders of the company	2.8	(3.6)
b) Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	1.3	(3.3)
From discontinued operations	1.2	(0.3)
Total diluted earnings per share attributable to the ordinary equity holders of the company	2.5	(3.6)
c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit for the period	4,812	(4,746)
Profit for the period attributable to non-controlling interests	(171)	59
Profit for the period attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	4,641	(4,687)
<i>Diluted earnings per share</i>		
Profit for the period attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	4,641	(4,687)
d) Weighted average number of shares used as the denominator		
	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and operating earnings per share	165,426,305	129,743,325
Adjustments for calculation of diluted earnings per share:		
Coffey Rewards Plan	8,521,742	11,502,885
Vendor shares issued but not yet vested for accounting purposes	471,506	947,798
Vendor shares not yet issued but recorded for accounting purposes	8,067,194	6,127,901
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	182,486,747	148,321,909

Directors' Declaration

In the opinion of the directors of Coffey International Limited ("the Company"):

- (a) the financial statements and notes set out on the pages 5 to 19 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the six month period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



John F Mulcahy
Chairman



John Douglas
Managing Director

Sydney
14 February 2012



Independent auditor's review report to the members of Coffey International Limited

We have reviewed the accompanying Interim Financial Report of Coffey International Limited, which comprises the consolidated statement of financial position as at 31 December 2011, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001*, including giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the interim period ended on that date and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Coffey International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Coffey International Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

John Wigglesworth
Partner

Sydney

14 February 2012