Coffey International Limited ACN 003 835 112

Geotechnical | **Resources** | Environmental | **Technical** | Project Management

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Memorandum

To	THE AUSTRALIAN STOCK EXCHANGE	From	SIMON CURTIS
Attention	THE COMPANY ANNOUNCEMENTS OFFICE	Date	28 AUGUST 2003
Facsimile number	E-Lodgements	Our Reference	
Subject	RESULTS FOR THE YEAR ENDED 30 JUNE 2003	Number of Pages including this page	22

Dear Sir / Madam,

Please find attached the following documents in connection with the Company's results for the year ended 30 June 2003:

1. Media Release (4 pages)

2. Managing Director's Review (5 pages)

3. Appendix 4E Report (12 pages)

Please direct any queries in relation to this announcement to myself in the first instance.

Yours faithfully

Simon Curtis
Company Secretary

MEDIA RELEASE

60.9% Increase in Profit For Coffey International Limited in FY 02/03

"Another great year for Coffey International Limited"

(Melbourne, Australia – 28 August 2003) The directors of Coffey International Limited (ASX: COF) today announced a record post-tax profit of $5.1 million for the year ended 30 June 2003, an increase of 60.9% over the previous year. This represents earnings per share of 45 cents and a post-tax return on equity of 28.8%. A final fully franked dividend of 15 cents has been declared, bringing the full year fully franked dividend to 27 cents or 60% of full year net profit.

"This represents an excellent performance for the year and means that we are well ahead of our target of 15 – 20% earnings growth per annum," commented Coffey International Managing Director Roger Olds.

"The earnings per share result of 45 cents is a record for the Company and reflects continued strong performance from both the Consulting Business and the International Development Business" he continued.

"Our success is well represented in our share price, which has grown from $1.73 at 30 June 2002 to $3.75 at 30 June 2003 and today is sitting comfortably at around $4.50. With the high dividends paid plus the share price growth, shareholder return over the year has exceeded all indices and the majority of stocks on the ASX. It's been another great year for Coffey International Limited."

The outlook for the group continues to be exciting with our plans to raise capital from the public for the first time since the Company listed on the ASX in 1990.

To help fund the planned growth of the Company, the directors have decided to implement a Dividend Reinvestment Plan. The details will be forwarded to shareholders in the near future. It is intended to commence the Plan with the final dividend for this year and to fully underwrite it.

This gives existing shareholders the first option to further participate in the growth of the Company, but will also provide the possibility for new shareholders to purchase shares not taken up. The directors have declared a dividend at the maximum end of the anticipated range in order to distribute franking credits to shareholders and in recognition of the underwriting.

Results Summary

	30 June 2003	30 June 2002	Change
Total Revenue ($'000)	110,908	111,566	-0.6%
Operating Profit Before Tax ($'000)	7,840	4,726	+65.9%
Tax Expense ($'000)	2,707	1,536	
Operating Profit After Tax ($'000)	5,133	3,190	+60.9%
EPS (cps)	45.0	28.1	+60.1%
Dividend per Share (cps)	27.0	15.0	+80.0%
Net Cash ($'000)	3,636	1,124	
Net Assets ($'000)	17,822	15,422	

Segment Results

	Revenue A$'000			Profit before Tax A$'000		
	2002/03	2001/02	% Change	2002/03	2001/02	% Change
Consulting Business	41,791	38,088	+9.7%	4,860	3,434	+41.5%
International Development Business	69,649	74,095	-6.0%	4,674	5,805	-19.5 %
Discontinuing Operations	342	874		421	(2,450)	
Eliminations	(874)	(1,491)				
Unallocated Expenses				(1,787)	(1,747)	
Interest Expense				(328)	(316)	
Total Group	**110,908**	**111,566**	**-0.6%**	**7,840**	**4,726**	**+65.9%**

Coffey's consulting business of Coffey Geosciences (including Water Studies) has had an outstanding year, with revenue up 9.7% and segment profit up 41.5% or $1.4 million.

This result was achieved through a strong infrastructure market, several major project wins, excellent returns from the Australian offices and success in Coffey's overseas projects.

In January 2003, Coffey Geosciences acquired Control Testing Laboratories, a geotechnical testing business based in Coffs Harbour, Armidale and Byron Bay. This acquisition is a logical step in the Company's long-term growth strategy of increasing its share of specialist markets through a range of leading brand subsidiaries, and provides it with a well-established and well-run business in a new geographical area that has excellent growth prospects. The acquisition, which cost $0.6 million, has been successfully integrated into Coffey Geosciences and is delivering good returns.

Coffey Geosciences' revenue growth has been achieved off a stable fixed cost base and the directors believe that further growth can still be achieved, through improvements in staff utilisations.

The International Development Business, comprising SAGRIC International, Coffey MPW and Landmarc, has had another strong year, albeit that it was unable to match the previous year's outstanding result. The Company reported a year ago that a lesser contribution was expected from the IDB group in 2002/03 given the inventory of projects in train at the time and the immediate prospects for securing projects which might have an impact on the 2002/03 result. The 2002/03 profit result of $4.6 million was therefore fully in line with expectations.

Outlook

The outlook for the group remains exciting with planned capital raising and acquisitions.

Within the core businesses, the directors expect to see continued organic growth in the Consulting Business but reduced profits in the International Development Business due to changes in the development assistance market.

Exciting prospects exist in the rural reconstruction of Iraq. With the past track record and experience of SAGRIC and its specialist teams in this region, SAGRIC is a very strong contender for initial contracts with AusAID and USAID. Success in these contracts would place it in a strong position for a sustained presence in the region as the western commitment to rebuilding is implemented.

There is clearly a limit to the extent of organic growth possible in the core businesses, and the directors, being aware of this have been seeking acquisition opportunities. As demonstrated in 2002/03, the Company will only pursue acquisitions which fit its strategic direction and risk profile. Coffey has a high quality in-house acquisition capability and process and is currently looking at several opportunities. One of these is close to finalising contracts for sale, which would add approximately 20% profit growth to the consulting division.

About Coffey

Coffey International Limited provides both physical and social infrastructure solutions to business, government and development assistance agencies. The company operates two divisions: the Consulting Business, which comprises Coffey Geosciences Control Testing Laboratories and Water Studies, and the International Development Business, which comprises SAGRIC International, Coffey MPW and Landmarc.

The Company employs around 600 people and is one of Australia's largest service providers to the Asia Pacific Region. The Company is listed on the Australian Stock Exchange.

During the 2002/03 financial year, Coffey generated $38 million revenue in Australia, $38 million in South East Asia, $21 million in the Pacific and $13 million in China, Sri Lanka, India and the Middle East.

For more information, please visit www.coffey.com.au.

ENDS

Roger Olds is available for interview.

Company background and Managing Director profile available.

For more information, please contact Nicola Mendleson or Brigitte Claney, Mendleson Communication on telephone: 03 9827 0422 or 0412 189 558 or email info@mendleson.com.au.

ASX RELEASE

COFFEY INTERNATIONAL LIMITED

FULL YEAR RESULT 2002/03

The directors of Coffey International Limited today announced a profit after tax of $5.1 million for the year ended 30 June 2003, on revenue of $110.9 million. This represents record earnings per share of 45 cents and a post-tax return on equity of 28.8%. A fully franked final dividend of 15 cents has been declared, bringing the full year fully franked dividend to 27 cents or 60% of full year net profit.

This year's dividend represents a fully franked return of 15.6% on the share price of $1.73 that existed at the start of the past financial year. With the share price growth of $2.02 (116.8%) that has also occurred in the year ended 30 June 2003, shareholders have received returns over the past 12 months which exceed all the indices, and the returns achieved from the majority of stocks on the ASX. It has been another great year for the Company.

Results Summary

	30 June 2003	30 June 2002	Change
Total Revenue ($'000)	110,908	111,566	-0.6%
Operating Profit Before Tax ($'000)	7,840	4,726	+65.9%
Tax Expense ($'000)	2,707	1,536	
Operating Profit After Tax ($'000)	5,133	3,190	+60.9%
EPS (cps)	45.0	28.1	+60.1%
Dividend per Share (cps)	27.0	15.0	+80.0%
Net Cash ($'000)	3,636	1,124	
Net Assets ($'000)	17,822	15,422	

Overview Comments

The post-tax profit result of $5.1 million is in line with the indications given to the market during the previous six months and is up 60.9% over the previous year, which still had losses from discontinuing businesses. This represents an excellent performance and positions the group well ahead of the average 15 to 20% per annum earnings growth target set last year.

The earnings per share result of 45 cents is comfortably a record for the Company and reflects continued strong performance from both the Consulting Business and the International Development Business (IDB).

Last year Coffey International Limited committed itself to four Three Year Objectives. I am delighted to report that the group has met or exceeded each of these objectives, as set out below:

Three Year Objective	Achievement
Earnings growth of 15% to 20% per annum	60.9% growth achieved in 2002/03
Fully franked dividends at 40% to 60% of earnings	2002/03 dividends (paid and proposed) are 60% of earnings
A share price that reflects our performance and growth potential	Share price has grown from $1.73 at 30 June 2002 to $3.75 at 30 June 2003 and then to $4.50 as at the date of this report
A pre-tax return on capital of at least 30%	44% pre-tax return on capital achieved in 2002/03

At the half year I reported that the group had experienced negative operating cash flow following a significant build-up of work-in-progress on development assistance contracts. This was dictated by project milestones, and compounded by the significant turnover growth in the IDB over the previous year. I am pleased to report that the second half saw this situation reversed with excellent operating cash flow throughout the group, such that net debt of ($3.5) million as at 31 December 2002 was converted into net cash of $3.6 million as at 30 June 2003. There remains a strong element of seasonality in the group's cash flows, with negative cash flow in the first half followed by positive cash flow in the second half.

The Company announced an on-market share buy-back programme in April 2003. A total of 110,000 ordinary shares were bought back by year-end, at an average price of $3.44 per share.

The Company has enjoyed a year of regular and positive media exposure, primarily in print but also on television. This, along with our increased focus on proactive investor relations, has seen unprecedented public interest in the Company. We remain committed to regular communication with investors and the wider market, but recognise that our primary focus must remain on managing the business fundamentals, which underpin stock market performance.

Segment Results

	Revenue A$'000			Profit before Tax A$'000		
	2002/03	2001/02	% Change	2002/03	2001/02	% Change
Consulting Business	41,791	38,088	+9.7%	4,860	3,434	+41.5%
IDB	69,649	74,095	-6.0%	4,674	5,805	-19.5%
Discontinuing Operations	342	874		421	(2,450)	
Eliminations	(874)	(1,491)				
Unallocated Expenses				(1,787)	(1,747)	
Interest Expense				(328)	(316)	
Total Group	110,908	111,566	-0.6%	7,840	4,726	+65.9%

Commentary on Segment Results

1. Consulting Business

Our consulting business of Coffey Geosciences (including Water Studies) has had an outstanding year, with revenue up 9.7% and segment profit up 41.5% or $1.4 million.

This result was achieved through the following:

- a strong infrastructure market in general;
- several significant infrastructure projects won across several offices, including two new Queensland projects (Port of Brisbane Seawall and Wivenhoe Spillway) using the alliance methodology for which Coffey Geosciences is rapidly gaining a market-leading reputation for innovation and project delivery;
- excellent levels of activity achieved in most regional centres, notably Newcastle, Albury and Hobart, all of which delivered record results;
- a heightened focus placed on the overseas offices, such that in aggregate they achieved a $0.5 million improvement compared with the prior year to almost break even on an operational basis. We still maintain a business development investment in Asia to secure work for the Australian operations.

In January 2003 Coffey Geosciences acquired Control Testing Laboratories (CTL), a geotechnical testing business based in Coffs Harbour and with supporting offices in Armidale and Byron Bay. As reported at the half year, this acquisition is a logical step in the Company's long-term growth strategy of increasing its share of specialist markets through a range of leading brand subsidiaries, and provides us with a well-established and well-run business in a new geographical area that has excellent growth prospects. The acquisition, which cost $0.6 million, has been successfully integrated into the Coffey Geosciences management and operating structures and is delivering good returns, in line with our expectations at the time of acquisition. Our plans to increase the engineering work in this region are proving successful with the recent award of work on the proposed Ballina By-Pass.

Coffey Geosciences' revenue growth has been achieved off a stable fixed cost base and we believe that further growth can still be achieved, through improvements in staff utilisations, before a significant step-up in the business' fixed costs would be required.

Coffey Geosciences' working capital has been maintained at prior year levels despite the growth in revenue. We believe the overall level of working capital to be appropriate given the size and multi-location structure of the business.

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2. International Development Business ("IDB")

The IDB group, comprising SAGRIC International, Coffey MPW and Landmarc, has had another strong year, albeit that it was unable to match the previous year's outstanding result. I had reported a year ago that a lesser contribution was expected from the IDB group in 2002/03 given the inventory of projects in train at the time and the immediate prospects for securing projects which might have an impact on the 2002/03 result. The 2002/03 profit result of $4.7 million was therefore fully in line with our expectations.

Given the major reliance of the IDB on the development assistance industry and the uncertainties surrounding regional security, the outlook is currently more unpredictable than in the past. This requires our IDB businesses to be flexible in their planning of future bids in a manner that is unprecedented.

As an example of this flexibility, SAGRIC is very well positioned to contribute to the rebuilding of Iraq following the war. The two major rural reconstruction contracts it is pursuing for AusAID and USAID are close to being awarded, and the Iraq experience of SAGRIC and its specialist teams makes it a very strong contender to enter this new market. If successful, it will place us in a strong position for a sustained presence in the region as the western commitment to rebuilding is implemented.

The total value of SAGRIC contracts as at 30 June 2003 was $261 million compared with $325 million a year ago. While still strong, the volume of forward contracts is affected by delays in the release of new contracts by the major clients of the IDB companies. These events have had minimal effect on the 2002-03 revenue and profit, but reduced revenue and profit is planned in 2003-04 as the order book is re-built.

Coffey MPW delivered a small profit in 2002/03, a disappointing result. However, the outlook is more promising than six months ago, following some recent project wins and a renewed focus on business development since the appointment of a new General Manager in December 2002.

Landmarc remains a potentially valuable brand within the IDB group for land development projects. Although its impact in financial terms is minimal at present, it is well positioned for some significant project possibilities.

3. Discontinuing Businesses

This segment comprises Aquaclear Technology and WD Scott International Development Consultants, both of which were also treated as discontinuing businesses in the previous year.

The directors are delighted to announce a profit from discontinuing businesses this year, following the favourable outcome of a settlement with the former owner of Aquaclear. While the amount received is only a small part of the group's full year earnings, it represents the full value the directors pursued, and validates the directors' earlier comments with respect to this particular element of the Aquaclear matter. The Company is continuing to vigorously pursue legal action with respect to the much larger claim against the firm that produced the financial reports on the state of the Aquaclear business at the time of sale. The directors remain confident of the merits of this case and will continue to pursue a favourable outcome for shareholders.

4. Unallocated Expenses

These expenses comprise the costs associated with the management of the public company and certain group expenses not allocated across the divisions.

Outlook

The outlook for the group remains exciting with our plans to raise capital from the public for the first time since the Company listed on the ASX in 1990.

We expect to see significant organic profit growth in the Consulting Business but reduced profits in the IDB for the reasons outlined above. This balance demonstrates the value of our diversified market presence. There is clearly a limit to the extent of organic growth possible in the core businesses, and the directors are conscious of this.

With consolidation of the core business after growing earnings 60% in the past year we expect earnings growth in the current year to be about 5 to 10%, as we add new "bolt on" business to the core through acquisitions. This excludes any contribution from resolution of the Aquaclear matter. Over our 3 year planning horizon we expect to achieve at least 50% growth in earnings in line with our continuing commitment to average 15% to 20% growth per annum.

The professional indemnity insurance market remains tight, with few suppliers, high premiums and high deductibles. However, the Company has consistently been able to demonstrate high quality risk management practices and a low level of notifications and claims against it. There are no new claims of significance which merit reporting as contingent liabilities at this point in time. Our legal advice on the existing contingent liability continues to support our previously stated position that current provisions and insurance are considered adequate to cover any potential costs in this matter.

During the past year we considered three possible acquisitions. We proceeded successfully with CTL but rejected the other two after preliminary due diligence. We are pleased to announce that a further three possibilities are at different stages of consideration and several others are in our pipeline for review. One of these is close to finalising contracts for sale and would add 20% profit growth to our consulting division.

To assist funding the planned growth of the Company, the directors have decided to implement a Dividend Reinvestment Plan (DRP). The details will be forwarded to shareholders in the near future. It is intended to commence the DRP with the final dividend for this year and to fully underwrite it. The directors believe this gives existing shareholders the first option to regularly participate in the growth of the Company, but will also provide the possibility for shares not taken up to be placed with new shareholders. In recognition of this underwriting of the DRP, we have declared a dividend at the maximum end of our anticipated range in order to return franking credits to shareholders.

The continuing uncertainty regarding world events does present risks to our business, both in terms of security in several of the countries in which we are undertaking projects and in the context of the potential impact on government decisions relating to funding priorities. Needless to say, this is an area that we continue to monitor closely, and we will keep the market informed if we believe any developments in world events are likely to have a material impact on our business.

The Company held an Extraordinary General Meeting in June 2003, at which shareholders approved an increase in the aggregate maximum amount of fees which could be paid to the Company's non-executive directors. This partly corrected an old anomaly but also now gives the Company the scope to appoint an additional (third) non-executive director. To date we have not made such an appointment but it is still in our plans to do so. We will update shareholders at the Company's Annual General Meeting in November 2003, or earlier if necessary, on any developments in this regard.

Lastly, our business is about people. They are our core asset and we sell their expertise. Our people put in an immense effort to deliver the results for shareholders. And in return shareholders support the Company with their investment. I would therefore like to record my sincere thanks to employees for an outstanding year and to shareholders for their continued support. The directors look forward to us successfully meeting the challenges of the year ahead.

Roger Olds

Managing Director

28 August 2003

Appendix 4E

Preliminary final report

Name of entity

COFFEY INTERNATIONAL LIMITED

ABN

16 003 835 112

Current reporting period	Previous reporting period
Year ended 30 June 2003	**Year ended 30 June 2002**

Results for announcement to the market

				$A'000
Revenues from ordinary activities	~~up~~/down	0.6%	to	110,908
Profit (loss) from ordinary activities after tax attributable to members	up/~~down~~	60.9%	to	5,133
Net profit (loss) for the period attributable to members	up/~~down~~	60.9%	to	5,133

Dividends	Amount per security	Franked amount per security
Final dividend proposed	15.0c	15.0c
Interim dividend paid	12.0c	12.0c

Record date for determining entitlements to the dividends,	17 October 2003

Brief explanation of any of the figures reported above.

Refer to Managing Director's Report attached

Coffey International Limited
Consolidated statement of financial performance
for the year ended 30 June 2003

	2003 $'000	2002 $'000
Revenue from ordinary activities	**110,908**	111,566
Changes in inventories of work in progress	**(125)**	187
Raw materials, subcontractor costs and consumables used	**(35,902)**	(39,848)
Employee benefits expense	**(56,260)**	(54,589)
Depreciation and amortisation expense	**(1,183)**	(1,524)
Borrowing costs expense	**(328)**	(316)
Other expenses from ordinary activities	**(9,270)**	(10,750)
Profit from ordinary activities before income tax expense	**7,840**	4,726
Income tax expense	**(2,707)**	(1,536)
Profit from ordinary activities after income tax expense and net profit attributable to the members of Coffey International Limited	**5,133**	3,190
Total changes in equity other than those resulting from transactions with owners as owners	**5,133**	3,190
Basic Earnings per share (cents)	**45.0**	28.1
Diluted Earnings per share (cents)	**45.0**	28.1

Coffey International Limited
Consolidated statement of financial position

	2003 $'000	2002 $'000
Current assets		
Cash assets	**6,636**	4,156
Receivables	**16,951**	19,164
Inventories	**5,818**	3,331
Other	**802**	471
Total current assets	**30,207**	27,122
Non-current assets		
Receivables	**958**	813
Other financial assets	**-**	49
Plant and equipment	**2,230**	2,319
Deferred tax assets	**1,516**	1,686
Intangible assets	**3,665**	3,765
Total non-current assets	**8,369**	8,632
Total assets	**38,576**	35,754
Current liabilities		
Payables	**14,774**	14,623
Interest bearing liabilities	**3,000**	3,032
Current tax liabilities	**1,288**	951
Provisions	**800**	800
Total current liabilities	**19,862**	19,406
Non-current liabilities		
Payables	**-**	77
Provisions	**892**	849
Total non-current liabilities	**892**	926
Total liabilities	**20,754**	20,332
Net assets	**17,822**	15,422
Equity		
Parent entity interest		
Contributed equity	**11,948**	12,059
Retained profits	**5,874**	3,363
Total equity	**17,822**	15,422

Coffey International Limited
Consolidated statement of cash flows

	2003 $'000	2002 $'000
Cash flows from operating activities		
Receipts from customers	**117,566**	118,298
Payments to suppliers and employees	**(108,433)**	(109,738)
	9,133	8,560
Interest received	**42**	10
Borrowing costs	**(328)**	(316)
Income taxes paid	**(2,199)**	(2,667)
Net cash inflow from operating activities	**6,648**	5,587
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	**(625)**	-
Payments for plant and equipment	**(541)**	(768)
Proceeds from sale of plant and equipment	**49**	140
Net cash (outflow) from investing activities	**(1,117)**	(628)
Cash flows from financing activities		
Repayment of loans under the Coffey International Limited Employee Leveraged Share Plan	**126**	15
Payments for shares bought back	**(383)**	-
Dividends paid	**(2,622)**	(453)
Finance leases paid	**(32)**	-
Net cash (outflow) from financing activities	**(2,911)**	(438)
Net increase/ (decrease) in cash held	**2,620**	4,521
Cash at the beginning of the financial year	**4,156**	(323)
Effects of exchange rate changes on cash	**(140)**	(42)
Cash at the end of the financial year	**6,636**	4,156

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown above) to the related items in the accounts is as follows.	2003 $000	2002 $000
Cash on hand and at bank	**5,136**	4,156
Deposits at call	**1,500**	-
Total cash at end of period	**6,636**	4,156

Coffey International Limited
Summary of accounting policies

Apart from the change in accounting policy detailed below, there have been no other changes in accounting policies since 30 June 2002, as set out in the published Annual Report for that year.

Dividends
Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

Change in accounting policy for providing for dividends
The above policy was adopted with effect from 1 July 2002 to comply with AASB 1044 Provisions, Contingent Liabilities and Contingent Assets released in October 2001. In previous years, in addition to providing for the amount of any dividends declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date, provision was made for dividends to be paid out of retained profits at the end of the financial year where the dividend proposed, recommended or declared between the end of the financial year and the completion of the financial report.

An adjustment of $1,247,000 was made against the consolidated and parent entity retained profits at the beginning of the financial year to reverse the amount provided at 30 June 2002 for the proposed final dividend for that year that was recommended by the directors between the end of the financial year and the completion of the financial report. This reduced the consolidated and parent entity current liabilities-provisions and total liabilities at the beginning of the financial year by $1,247,000 with corresponding increases in their net assets, retained profits, total equity and the total dividends provided for or paid during the current financial year.

The restatements of consolidated and parent entity retained profits, provisions and total dividends provided for or paid during the year set out below show the information that would have been disclosed had the new accounting policy always been applied.

	Consolidated	
	2003	2002
	$'000	$'000
	(Restated)	(Restated)
Restatement of retained profits		
Previously reported retained profits at the end of the previous financial year	2,116	626
Change in accounting policy for providing for dividends	1,247	-
Restated retained profits at the beginning of the financial year	3,363	626
Net profit attributable to members of Coffey International Limited	5,133	3,190
Total available for appropriation	8,496	3,816
Dividends provided for or paid	(2,622)	(453)
Restated retained profits at the end of the financial year	5,874	3,363
Restatement of current liabilities-provisions		
Previously reported carrying amount at the end of the financial year	800	5,925
Adjustment for change in accounting policy	-	(5,125)
Restated carrying amount at the end of the financial year	800	800
Restatement of dividends provided for or paid		
Previously reported total dividends provided for or paid during the year	1,375	1,700
Adjustment for change in accounting policy	1,247	(1,247)
Restated total dividends provided for or paid during the financial year	2,622	453

Reclassification of liabilities for certain employee benefits
The liabilities for wages and salaries, annual leave and related on-costs expected to be settled within 12 months of reporting date have been reclassified from provisions to other creditors in the current year as a result of the adoption of the new accounting standard, AASB 1044 Provisions, Contingent Liabilities and Contingent Assets. Comparative amounts have also been reclassified to ensure comparability with the current reporting period.

Coffey International Limited
Segment Information

Primary Segment Information – Business Segments

2003

	Consulting Business	International Development Business	Discontinuing Operations	Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000
Sales to external customers	40,886	69,564	-	-	110,450
Inter-segment sales	874	-	-	(874)	-
Other revenue	31	85	342	-	458
Total revenue	41,791	69,649	342	(874)	110,908
Segment result	4,860	4,674	421	-	9,955
Unallocated expenses					(1,787)
Interest expense					(328)
Profit from ordinary activities before tax					7,840
Income tax expense					(2,707)
Net profit after income tax					**5,133**
Segment assets	18,087	20,452	37	-	38,576
Segment liabilities	6,925	9,159	4,670	-	20,754
Depreciation and amortisation expenses	911	272	-	-	1,183
Acquisitions of plant and equipment and intangibles	1,106	60	-	-	1,166

Coffey International Limited
Segment Information

Primary Segment Information – Business Segments (contd)

2002

	Consulting Business	International Development Business	Discontinuing Operations	Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000
Sales to external customers	36,509	73,739	851	-	111,099
Inter-segment sales	1,491	-	-	(1,491)	-
Other revenue	88	356	23	-	467
Total revenue	38,088	74,095	874	(1,491)	111,566
Segment result	3,434	5,805	(2,450)	-	6,789
Unallocated expenses					(1,747)
Interest expense					(316)
Profit from ordinary activities before tax					4,726
Income tax expense					(1,536)
Net profit after income tax					**3,190**
Segment assets	19,418	16,069	267	-	35,754
Segment liabilities	5,433	9,576	5,323	-	20,332
Depreciation and amortisation expenses	1,002	274	248	-	1,524
Acquisitions of plant and equipment and intangibles	512	256	-	-	768

Business segments

The above business segments derive revenue from the principal activities of the Coffey International Limited Group being the provision of engineering, scientific and project management services in the international development, earth sciences, water and natural resources sectors throughout Australia and overseas.

The Consulting Business comprises principally the Coffey Geosciences and Water Studies businesses both in Australia and overseas. The International Development Business comprises SAGRIC International, Coffey MPW and Landmarc. Discontinuing Operations comprises Aquaclear Technology and WD Scott.

Coffey International Limited
Segment Information

Secondary Segment Information – Geographical Segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of plant and equipment and intangibles	
	2003	2002	**2003**	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australia	**38,117**	34,524	**23,839**	20,011	**1,166**	768
South East Asia	**38,313**	38,058	**8,530**	7,224		-
Pacific Region	**21,346**	25,616	**3,158**	5,039		-
Other	**12,674**	12,901	**3,049**	3,480		-
	110,450	111,099	**38,576**	35,754	**1,166**	768

Geographical segments

Although the consolidated entity's divisions are managed on a regional basis, they operate in the following main geographical areas:

Australia is the home country of the parent entity, which is also the main operating entity. The principal area of operation is the Consulting Business.

South East Asia comprises operations carried on in Indonesia, Hong Kong, Philippines, Malaysia, Vietnam and Thailand by the International Development Business and the Consulting Business.

Pacific Region comprises operations carried on in PNG and the Pacific Islands principally by the International Development Business.

Other comprises operations carried on in the Middle East, China, Sri Lanka and India principally by the International Development Business.

Coffey International Limited
Notes to the statements of financial performance

Revenue from ordinary activities

	2003 $'000	2002 $'000
Revenue from services	**110,450**	111,099
Interest revenue	**42**	10
Other relevant revenue	**416**	457
Total Revenue	**110,908**	111,566

Income Tax Expense

	2003 $'000
The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit. The differences are reconciled as follows:	
Operating profit and extraordinary item before income tax	7,840
Income tax calculated at 30%	2,352
Tax effect of permanent differences:	
Non-deductible depreciation and amortisation	154
Other non-deductible expenditure	32
Effects of lower rates of tax on overseas income	(14)
Losses in overseas entities	61
Use of losses brought forward	(9)
Amount under provided in prior year	131
Income Tax attributable to operating profit	**2,707**

Retained Profits

	2003 $'000	2002 $'000
Retained profits at the beginning of the financial year	**2,116**	626
Adjustment resulting from change in accounting policy for providing for dividends	**1,247**	-
Net profit attributable to members of Coffey International Limited	**5,133**	3,190
Dividends paid	**(2,622)**	(1,700)
Retained profits at the end of the financial year	**5,874**	2,116

Earnings per security (EPS)

	2003	2002
Earnings used in the calculation of EPS	**$5,133,000**	$3,190,000
Weighted average number of shares used in the denominator	**11,396,323**	11,333,092

Coffey International Limited

Ratios

	2003	2002
NTA backing Net tangible asset backing per ordinary security	**125c**	103c
Profit before tax / revenue Consolidated profit from ordinary activities before tax as a percentage of revenue	**7.1%**	4.2%
Profit after tax / equity interests Consolidated net profit from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	**28.8%**	20.7%

Dividends

	Date dividend is payable	31 October 2003
	Record date to determine entitlement to dividends	17 October 2003

Amount per security

			Amount per security	Franked amount per security at 30% tax
	Final dividend:	Current year	15.0¢	15.0 ¢
		Previous year	11.0¢	11.0 ¢
	Interim dividend:	Current year	12.0¢	12.0¢
		Previous year	4.0¢	4.0¢

Total dividend (distribution) per security (interim *plus* final)

		Current year	Previous year
	Ordinary securities	**27.0¢**	15.0¢

Final dividend on all securities

		2003 $'000	2002 $'000
	Ordinary securities	**1,700**	1,247

The Directors have decided to implement a dividend reinvestment plan (DRP), the details of which will be forwarded to shareholders in the near future. It is intended to commence the DRP with the final dividend for 2003 and to fully underwrite it.

Coffey International Limited

Control gained over entities having material effect

Name of entity	N/A
Date control gained	
Contribution of the entity to the profit from ordinary activities during the period (if material)	$
Profit/loss of the entity during the previous reporting period (if material)	$

Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
Date control lost	
Contribution of the entity to the profit from ordinary activities during the period (if material)	
Profit/loss of the entity during the previous reporting period (if material)	

Details of associates and joint venture entities

Name of joint venture entities and percentage holding in the entities	SKM/EGIS Consulting Joint Venture (33.3%) NSW DEET Joint Venture (50.0%)
Aggregate share of profits of theses entities, details of contributions to net profit (if material)	Not material

Coffey International Limited

Commentary on the results

Refer to Managing Director's Report attached

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used	N/A

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

This report is based on +accounts to which one of the following applies.

(Tick one)

☐	The +accounts have been audited.	☐	The +accounts have been subject to review.
√	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

Sign here: . Date: 28 August 2003

(Company Secretary)

Print name: SIMON C CURTIS