

Greencap Market Update

Melbourne, Australia 1 July 2011 - Greencap Limited (**ASX: GCG**) has today announced that as a part of its ongoing restructure program following the strategic review of operations, a decision has been made to exit building certification by disposing of Trevor R Howse & Associates Pty Ltd.

The strategic review has determined that building certification is a non-core service that does not align with Greencap's strategy to focus on risk management consulting. The impact of exiting building certification will be an anticipated impairment of the carrying value of goodwill in the accounts associated with the original acquisition of Trevor R Howse of \$9.7 million before tax.

Greencap expects that the group result for the 2011 financial year will be a Net Loss After Tax in excess of \$5 million. The subsidiaries Trevor R Howse and Leeder Consulting now both currently held for resale will be treated as discontinued operations in the year end accounts. Whilst the underlying operations of Leeder remain highly profitable it is anticipated that the combined result of the discontinued operations taken together, inclusive of the non-cash goodwill impairment charge, will be an EBIT loss of around \$9 million for the 2011 financial year. The continuing operations associated with the core risk management consulting services business is expected to deliver an EBIT outcome of between \$5 million and \$6 million for this financial year.

Greencap's bank supports the initiatives being undertaken by the company and has negotiated a new funding agreement with the company.

Greencap Managing Director Andrew Meerman said "While the decision taken will result in a loss for Greencap for this financial year, the Board and management are confident the company is in a strong position moving into the new financial year."

"This decision taken will now allow the Board and management to focus on delivering value from our core risk management consulting business. The earnings generated from the continuing operations coupled with the value expected to be released from the sale of Leeder positions the group for renewed growth" Mr Meerman said.

"We have restructured our business into a regional model that is reducing duplication, increasing integration and providing a foundation for future growth. We anticipate strong performance in the first quarter of financial year 2012."

Greencap Consulting Chief Executive Officer, Earl Eddings, said "Greencap's realigned business model is delivering results".

"Our new key account program that commenced this year is already producing an increased flow of work from larger national and international clients," Mr Eddings said.

"We continue to experience ongoing success from the program. This is demonstrated with our confirmed appointment to deliver hazardous materials audits of a portfolio of properties in the Sydney city basin area with a project value of \$1.2 million to a new major land asset client".

"We are building our Defence order book, with project wins resulting in \$1.3 million of revenue in various defence projects across Australia. Our Indonesian operation has won several major new projects totalling \$US1 million in the environmental and water management field."

"We are also expanding our service offering into new markets. We are rationalising smaller offices and opening new regional offices in resources sector hot spots, expanding operations in the Northern Territory and Western Australia, rolling-out our online services and training offerings to continue to drive growth in our core business."

Greencap Chairman, Mr Byram Johnston said, "The difficult decisions that have been taken this year, whilst causing short term pain, are positioning the company for growth and increased shareholder wealth into the future. The integration of our risk management consulting business focuses the company into growth sectors and opportunities that will enable management to deliver improved profit performance and dividends."

About Greencap Limited (ASX: GCG)

www.greencap.com.au

Greencap Limited provides risk management services in every state of Australia and South East Asia. These services include Occupational Health and Safety, Property Risk Services, Business Continuity Management, Sustainability, Environmental Services, Hazardous Materials Risk Management, Contaminated Site Management, Fire Safety Engineering and incorporates training, testing and web based solutions. With more than 400 professional, technical and engineering staff based in eight offices, the group services more than 5000 business and government entities in the education, property, resources, industrial, manufacturing, retail and services sectors. The diversity of clients and services allows Greencap to live up to its claim of "protecting people, property and environment".

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