

ASX / Media Release

Greencap Market Update

Melbourne, Australia 24 May 2011 - Greencap Limited (**ASX: GCG**) directors are pleased to provide the following comprehensive update of the group's activities.

The Greencap consulting businesses have been restructured from the historical federated model which comprised nine separate brands into an integrated business model. A regional business structure has been established with geographically focused management lead by regional leaders in each state and Asia. Each region has specialists focused in Occupational Health and Safety, Property Risk and Environmental Risk delivering an integrated service with a national capability. The Greencap consulting business is the largest independent, Australian owned risk management consulting business in Australasia with over 400 professional, technical and engineering staff based in 16 offices. The group services over 5,000 public, private and government entities in the education, property, resources, industrial, manufacturing, retail and services sectors.

Group Managing Director Andrew Meerman has appointed Earl Eddings, previously the CEO of the NAA Group, to the new position of CEO of the now combined Greencap consulting business. Under the new structure Mr Eddings will lead the consolidation of management and support functions from the Melbourne headquarters in Box Hill.

The Greencap consulting business CEO, Mr Eddings said:

"Our clients expect an integrated risk management solution. The integration of our consulting businesses allows the company to meet these client needs with unparalleled strength across Australia and the Asia Pacific region. This approach is already providing new opportunities and securing broader based risk management work with existing clients and building a strong foundation for sustainable growth."

The integration strategy represents the second phase of development of Greencap and was established as an outcome of a strategic review undertaken in the company. As a part of this review the Greencap testing business was identified as non-core to the broader consulting service offering. After considering the options available to establish its positioning within the group, the company has decided to engage with interested parties with the objective of realising the current value of this business in the near term. The Board believes based on market evidence that proceeds in excess of \$15 million should be realised for the testing business.

Concurrent with the restructuring of the Greencap consulting business, Mr Scott Bird has resigned as executive director of Greencap Limited to focus on his role as Western Australia Regional Director of the Greencap consulting business. The Board thanks Mr Bird for his services on the Board especially in his role providing guidance and continuity over the transition period as the board moved towards its current structure. The board composition of non-executive directors and MD, Andrew Meerman aligns with best practice governance models.

Based on third quarter performance, current and anticipated work to 30 June 2011, the company expects to close the year with revenues around \$67 million (against planned revenue of \$70 million and last year's performance of \$63 million) and corresponding earnings closer to last year's earnings of \$4.3 million against planned earnings of \$5 million. The impact of the natural disasters in Queensland and Western Australia in January and February have been felt across all service lines of the business. The impact of these disasters has been deeper and longer than originally anticipated with revenue levels depressed throughout the entire third quarter and only recently returning to more normal levels. These events have compounded the influence of the relatively depressed state of the West Australian property market and increased the pace at which we are realigning our West Australian environmental business from the property sector to the resources sector. The company has not as yet considered impairing goodwill as it considers the current year results to have been impacted by non-recurring events.

The company has completed one year of operations with dedicated service delivery capability in Asia. The company now has 33 employees in its consulting operations located in Jakarta delivering environmental and associated services to a portfolio of major international and domestic mining companies in the South East Asian region. We plan to strengthen our Singapore operations with expansion of occupational health and safety consulting services in this region.

The Board believes that the realigned integrated business model has now positioned the Group for growth and we expect under the new structure to realise revenue growth beyond 10% next financial year. The Group is also capable of delivering higher earnings and in the absence of one off restructure charges in concert with increased revenue should contribute to proportionately higher earnings growth. Recent contract wins with both existing and new clients, driven in part by the new integrated service offering nationally, have included a \$3.2 million contract with DEECD in Victoria to provide OHS services across all government schools, large multi-year projects with a national facility management company to implement our integrated risk management program; a major project for Inpex Floating LNG Plant in Indonesia to undertake Environmental Impact Studies; a 3 year multi-million dollar contract to provide emergency management services to a large federal government department; as well as significant multi-disciplinary project wins for the Department of Defence. These recent project wins and related account management initiatives support growth expectations for the 2012 financial year.

The Board has previously indicated its intention to pay a dividend in this quarter. Due to the impact of the natural disasters which is having a delaying effect on cash flow, the Board have decided that it is prudent to refrain from paying a dividend this quarter. The company will review its policy of paying distributions to shareholders as part of its planning over the next financial year.

The Board continues to be encouraged by the success of the new executive team in transforming the company from a group of federated businesses into an integrated risk management consulting business. No other risk management consulting practice has the ability to match our expertise across people, property and environmental risk management with our Australasian footprint.

Upon the realisation of the testing business value, the resultant restructuring of the company's balance sheet and repositioning of the company's capacity to acquire and grow, we expect that the shareholder support provided in recent years will be rewarded as the company moves into its next phase.

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 over 400 professional, technical and engineering staff

based in 16 offices, the group services over 5,000 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”.

The integrated consulting business incorporates the consolidation of the following group companies:

Noel Arnold & Associates Pty Ltd operates across a wide range of risk management disciplines, including OH&S, environmental risk, property risk and business risk. Refer www.noel-arnold.com.au.

AEC Environmental Pty Ltd specialises in key issues surrounding land contamination and asbestos management. This includes the provision of independent environmental audits of potentially contaminated land. Refer www.aecaust.com.au

Trimevac Pty Ltd provides a broad range of fire and emergency response management and safety risk assessment services to assist building owners, employers and employees manage their ‘duty of care’ in this specialist field. Refer www.trimevac.com.au

ENV Australia Pty Ltd offers a broad based environmental services solution to both public and private sector clients, with particular expertise in earth chemistry, water and sustainability, environmental management, and biological sciences. Refer www.env.net.au

ECC Pty Ltd provides specialist advice in Legionella, water, energy and corrosion management for owners and managers of commercial buildings, hotels, hospitals and shopping centres as well as industrial and manufacturing sites throughout Australia. Refer www.eccptyltd.com

Environmental & Licensing Professionals Pty Ltd offers environmental licensing and approvals, title and tenement management capability (including native title and cultural heritage), environmental management systems development and emissions reporting. Refer www.elp.com.au and www.muddyboots.net.au

Trevor R Howse & Associates Pty Ltd is a specialist building and fire safety services company providing services in Building Regulations; Fire Safety Engineering and Management Services. Refer www.trh.com.au

MC2 Pacific Pty Ltd offers Business Continuity Management services encompassing systems for managing risks, responding effectively to crisis and emergency events, and implementing appropriate contingency and recovery plans. Refer www.mc2pacific.com.au

The testing business:

Leeder Consulting Pty Ltd is a specialist Laboratory providing high quality laboratory and data interpretation services and has one of Australia’s widest range of NATA accreditation for specialised environmental testing. Refer www.leederconsulting.com

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