

## Market Update

**Melbourne, 5 February 2013** - Greencap Limited (ASX: GCG) today announced revenue from continuing operations for the first half is anticipated to be around \$32 million consistent with last year. The underlying earnings in its first half results are likely to be around \$2 million, representing a reduction of 27% compared to the company's 2011 earnings.

The lower than expected earnings forecast reflects a poorer trading result for the company's November/December period particularly in the West Australian business.

However, the earnings forecast downgrade was balanced by an improved cash flow from operations of \$2.8 million in the first half, up significantly from 2011 resulting in an improved net cash position at the half year of \$1.4 million compared to \$1.1 million at the same time last year.

Anticipated half-year result headlines:

- \$32 million revenue from continuing operations, consistent with 2011
- \$2 million EBIT from continuing operations in the first half, off by 27% compared to 2011
- \$2.8 million cash flow from operations in the first half, significantly improved from 2011
- \$1.4 million net cash at 31 Dec 2012 v's \$1.1 million in 2011
- \$0.7 million losses from discontinued operations including the closure and impairment of goodwill of MC2 and litigation costs associated with the settlement of TRH historical claims

The Board would like to emphasise that the business continues to trade well despite tough economic conditions. In anticipation of continued pressure on margins the Board is implementing a series of performance improvement programs. These programs include: restructuring senior management; reducing costs associated with service delivery; aligning business locations with growth markets; and reconfiguring the go-to-market delivery model to better market our integrated service offering. The Board anticipates further updates to the market at the time of the release of the detailed half year results.

Group Managing Director Earl Eddings said that: "Greencap is the leading provider of risk management services in Australasia. Not dissimilar to other professional services businesses, we are now focusing on actions to restore our margins."

### About Greencap Limited (ASX: GCG)

[www.greencap.com.au](http://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, Sustainability, Environmental Services, Hazardous Materials Risk Management, Contaminated Site Management, Fire Safety Engineering and incorporates training and web based solutions. With over 300 professional, technical and engineering staff based in 7 offices, the company 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".

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