

15 February 2017

Shanks Group plc
(“Shanks”, the “Company” or, together with its subsidiaries, the “Group”)

Shanks receives final competition authority approval
for merger with Van Gansewinkel Groep B.V.
(“VGG” or, together with its subsidiaries, the “VGG Group”)

The Board of Shanks is pleased to announce that the Group has now received all necessary approvals from the relevant competition authorities in the Netherlands in relation to the proposed merger with VGG. This follows the receipt of approval from the relevant competition authorities in Belgium on 25 January 2017 and means that the Group now has all the competition authority and shareholder approvals necessary to proceed with the merger. It is expected that the process for Completion and the launch of the Combined Group with a new brand will take around two weeks. Completion is subject to, among other things, approval of a prospectus by the FCA.

Peter Dilnot, Group Chief Executive of Shanks, commented:

“We are delighted to have cleared the final regulatory hurdle so that we can complete the transformational merger of Shanks and VGG. This strategic deal will bring two strong companies together to create a new international waste-to-product leader at the heart of the emerging circular economy. The Combined Group will operate across nine countries with unique capabilities and the scale, capability and expertise to grow profitably over the longer-term.

A huge amount of pre-merger work has been undertaken by the Shanks and VGG management teams and our integration planning is well advanced. Once the merger formally completes, we will begin integrating the businesses at pace. As previously announced, we expect to deliver €40m of cost synergies while positioning the new combined business for sustainable long-term growth. On Completion we will be launching a fresh new brand that captures our heritage and reflects our future vision.

This is an exciting time for both Shanks and VGG, and we look forward to creating a new company that delivers sustainable value for customers, shareholders and the communities we serve.”

The merger with VGG is wholly aligned with Shanks’ strategy to be a leading international waste-to-product company. The combined entity will be well positioned to meet the needs of the emerging circular economy and will have the scale, capability and expertise to deliver long term sustainable growth and attractive returns. The new business will be able to offer its customers an extensive range of recycling technologies and services.

As previously outlined, the Shanks Board believes that the Combined Group can be expected to achieve annual risk weighted pre-tax cost synergies of approximately €40m in the third full year following Completion. Given the ongoing turnaround of VGG, as shown in its performance for the year ended 31 December 2016, and the expected cost synergies, the Board of Shanks expects the merger to be significantly earnings enhancing in the second full financial year following Completion.

Extensive integration planning has been underway while the Group has been awaiting competition authority clearance. The new senior management team, reflecting skills and experience from across both businesses and from outside industries, has been selected and will be effective from Day 1. Plans are in place to take control of the new entity efficiently, with governance, treasury and other processes ready to be implemented immediately following Completion. A new brand will also be launched on Completion that reflects both the heritage and the positioning of the Combined Group.

As the merger is classified as a reverse takeover under the FCA's Listing Rules, Shanks will apply for re-admission of the Combined Group to the premium listing segment of the Financial Conduct Authority's Official List and to trading on the London Stock Exchange upon Completion. A further prospectus in relation to re-admission will be published following approval by the FCA.

Terms used in this announcement shall have the same meanings as set out in the Combined Circular and Prospectus of the Company dated 29 September 2016.

ENDS

Enquiries:

Shanks Group plc +44 (0)1908 650580
Peter Dilnot, Group Chief Executive
Toby Woolrych, Group Finance Director

Brunswick Group +44 (0)20 7404 5959
Carole Cable
Fiona Micallef-Eynaud

Greenhill & Co. International LLP +44 (0)20 7198 7400
Lead Financial Adviser and Joint Sponsor
James Lupton
Pieter-Jan Bouten
Dean Rodrigues

Investec Bank plc +44 (0)20 7597 4000
Joint Sponsor and Sole Underwriter and
Bookrunner
James Rudd
James Ireland
Henry Reast

ING Bank N.V. +44 (0)20 7767 1000
Financial Adviser and Debt Underwriter
Alexander Alting von Geusau
Rob van Veldhuizen
Floris Schorer

IMPORTANT NOTICE:

Greenhill is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Investec is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Greenhill and Investec are acting for Shanks and no one else in connection with the Merger and will not regard any other person as a client in relation to the Merger and will not be responsible to anyone other than Shanks for providing the protections afforded to their respective clients, nor for providing advice in connection with the Merger or any other matter, transaction or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Greenhill and Investec in their capacities as Joint Sponsors by the Financial Services and Markets Act 2000 (as amended), neither of Greenhill and Investec, nor any of their respective officers, employees and agents, accept any responsibility or liability whatsoever and make no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or purported to be made by any of them, or on their behalf, in connection with Shanks and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Each of Greenhill and Investec accordingly disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement. Each of Greenhill and Investec and/or their affiliates provide various investment banking, commercial banking and financial advisory services from time to time to Shanks.

No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorised by the Group, Greenhill and/or Investec. Subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the issue of this announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of the Group or VGG since the date of this announcement or that the information in it is correct as at any subsequent date.

This announcement has been issued by and is the sole responsibility of the Company.