

Press Release

09 April 2013

Year end trading update for the year ended 31 March 2013

Shanks Group plc, a leading international sustainable waste management business, provides a year end trading update for the year ended 31 March 2013.

Since the Interim Management Statement on 5 February 2013, the Group has continued to trade robustly and to implement its cost management actions, in market conditions which remain very challenging. There has been an additional material impact from the recent unusually adverse weather conditions on activity levels in the Solid Waste, Hazardous Waste and Organics Divisions. Nevertheless, the Board expects to deliver a full year result broadly in line with its expectations.

The Group's structural cost reduction programme, which is expected to save £20m per annum by 2015/16, is progressing well and, as previously indicated, will result in restructuring charges and asset impairments in the year ended 31 March 2013. These are expected to amount to approximately £32m, with £10m of this in cash. In addition, as indicated at the time of the interim results announcement, the annual goodwill impairment process will result in some further (non-cash) reduction in the carrying value of the Group's goodwill. The Board expects this impairment charge to amount to £19m, approximately 8% of the Group's total goodwill, relating primarily to certain Scottish recycling assets, a Belgian sorting centre, and a landfill site and a loss making ground works business in the Netherlands. The aggregate restructuring and asset impairments are in line with Board expectations at the half year.

Cash performance has been ahead of the Board's expectations due to very effective capital management. The balance sheet remains strong and the ratio of core net debt to EBITDA at 31 March 2013 is expected to be between 2.1 and 2.2 times.

The Group is scheduled to announce its preliminary results for the year ended 31 March 2013 on 16 May 2013.

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Shanks Group plc is a leading international sustainable waste management business with operations in the Netherlands, Belgium, United Kingdom and Canada.

The Group provides a range of recycling and energy recovery solutions to customers in both the public and private sector. The Group employs over 4,000 employees and last year it handled 7.8 million tonnes of waste achieving an overall recycling and recovery rate of 78%.

The Group has a significant organic waste treatment capacity of over 1 million tonnes.

In May 2012 it reported annual revenues of £750 million and trading profits of £53.4 million. The company was established in 1880 and is based in Milton Keynes, Buckinghamshire.

For more information visit www.shanksplc.com