

5 April 2016

Trading Update

Shanks Group plc (LSE:SKS), the international waste-to-product business, today announces its trading update for the year ended 31 March 2016, ahead of its preliminary results which will be released on 19 May 2016.

Trading performance

Group trading performance has remained in line with the Board's expectations following the last trading statement issued on 3 February 2016.

Cash and borrowings

As a result of our strong ongoing focus on cash management, year-end core net debt was £195m, better than expectations after adjusting for the impact of the stronger Euro. We received £26m of the £30m proceeds relating to the sale of our Wakefield subordinated debt and equity as announced on 3 February 2016: the remaining cash is expected to be received in the short term.

We have also extended our net debt:EBITDA covenant on our core banking facilities at 3.5x for a further twelve months to September 2017 and reduced our Total Net Worth covenant to £175m. These amendments will provide additional flexibility as we complete the build phases on our Derby and Surrey PPP contracts and give further protection against currency fluctuation as we approach the EU Referendum.

Non-trading and exceptional items

The loss on sale of our Wakefield PFI assets will be £5m better than previously announced at £5m due to movements in swap rates in the weeks prior to completion.

Following previous announcements regarding the market pressures in our Municipal division, we shall account for the operating contract relating to our Cumbria PPP facilities as an onerous contract from 1 October 2015. This will result in an exceptional charge of up to £5m.

Outlook

The Board's overall expectations for the year ending 31 March 2017 remain unchanged.

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Notes to editors

Shanks Group is a leading international waste to product business.

The Group uses a range of cost-effective sustainable technologies to make valuable products from what is thrown away. We produce green energy, recovered fuel, recycled commodities and organic fertiliser.

Shanks meets the growing need from public and private sectors to manage waste sustainably without damaging the environment. Our solutions reduce greenhouse gas emissions, recycle natural resources and limit fossil fuel dependency.

Shanks operates in three divisions that reflect its markets: Hazardous, Commercial and Municipal. It has operations in the Netherlands, Belgium, UK and Canada and employs around 3,500 people.

For more information, visit: www.shanksplc.com

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