

Press Release

28 September 2015

Pre-Close Trading Update

Shanks Group plc (LSE:SKS), the international waste-to-product business, today announces its pre-close trading update for the six months ending 30 September 2015, ahead of its interim results which will be released on 5 November 2015.

Trading performance

Overall, Group trading performance has been in line with the Board's expectations.

Market conditions in the Netherlands have continued to show encouraging signs of improvement. The modest recovery in construction activity, together with higher recycle income, firmer prices in the commercial segment as a result of the incinerator tax that was introduced in January 2015 and our own improvement programmes, have contributed to a steady recovery in our Commercial Division profitability. In contrast, trading conditions in Belgium remain challenging, due to the previously reported weakness in local offtake markets.

In our Hazardous Division low oil prices continue to negatively impact on the oil and gas sector, which historically has generated around half of the Division's revenues. The result has been a reduction in industrial cleaning activity, and lower volumes of sludges for treatment. The soil market continues to perform in line with our expectations.

Our Municipal Division has made good progress in the first half, entering full service on the new Barnsley, Doncaster & Rotherham (BDR) contract as planned in July 2015. At Wakefield, the recent bankruptcy of a major supplier has led to an unavoidable delay of approximately four months to full service commencement. This will have a resulting impact on second half trading profit in addition to liquidated damages and associated costs estimated at £5m that will be taken as an exceptional item.

Cash and borrowings

Cash continues to be managed closely. Net debt at the end of September 2015 is anticipated to be in line with our expectations at below £200m.

Outlook

We currently expect that the improved performance in Netherlands Commercial trading will offset the impact of market conditions in Hazardous and the delay in the full service commencement at the Wakefield facility. Accordingly, the Board's overall expectations for the year ending 31 March 2016 remain unchanged.

For further information:

Shanks Group plc

Peter Dilnot
Toby Woolrych

+44 1908 650582

Brunswick Group

Mike Smith
Jon Drage

+44 207 404 5959

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