

Press Release

25 July 2013

Interim Management Statement

Shanks Group plc today issues its Interim Management Statement for the period 1 April 2013 to the current date, ahead of its AGM to be held later today.

Trading performance

The Group has traded in line with the Board's expectations across all four of its divisions in the first quarter. Market conditions remain challenging in Solid Waste, as expected, with our cost savings programme progressing on plan.

We have continued to actively manage the business during the period, including:

- Breaking ground on the Wakefield PFI construction site
- Commencing operations at Westcott Park anaerobic digestion plant
- Commissioning a new dryer and third Combined Heat and Power engine at Amsterdam anaerobic digestion plant, both of which are performing well
- Being selected as one of the two final bidders for the long term municipal contract to treat Cardiff and Vale of Glamorgan's organic waste
- Signing a strategic alliance with Sanimax to pursue opportunities in the Quebec organics waste treatment market
- Selling the Netherlands Head Office building at Wateringen
- Selling the Foronex wood trading business

Cash and borrowings

Net debt as at 30 June 2013 had increased to £207m, in line with expectations following the injection of £11m of subordinated debt into the Cumbria PFI in April and the ongoing funding of our cost reduction programmes. Net debt remains well within our covenants.

We were delighted to complete a €100m 6 year bond raising from the Belgian retail market earlier this month with a coupon of 4.23% and requiring only a very short, two and a half days of marketing. This provides attractive long-term financing to the Group to support our investment in growth.

Outlook

The Board remains confident that the Group will deliver a trading result in line with its expectations for the year ended 31 March 2014.

Peter Dilnot, Group Chief Executive, said:

“I am pleased to report that the Group has started the year steadily, with all our divisions in line with our expectations, despite market conditions in Solid Waste remaining challenging. We have continued to deliver on our cost reduction programme and to manage actively the Group’s portfolio to focus on areas where we have strategic advantage. We have also secured important long term funding through our recent highly successful retail bond offering. The Board remains confident that the Group will deliver a trading result in line with its expectations for the year ended 31 March 2014.”

For further information:

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Notes to editors

Shanks Group is a leading international sustainable waste management business. We meet the growing need to manage waste without damaging the environment. Our solutions reduce greenhouse gas emissions, recycle natural resources and limit fossil fuel dependency.

Shanks uses a range of sustainable and cost-effective technologies to make valuable products from what is thrown away and generate increasing returns for shareholders. We produce green energy, recovered fuel, recycled commodities and organic fertiliser.

Shanks operates in four divisions that reflect our markets: Solid, Hazardous, Organics and UK Municipal. It has operations in the Netherlands, Belgium, UK and Canada and employs around 4,000 people.

In its target markets, the Group is at the forefront in providing sustainable waste management solutions for both the public and private sectors.

For more information, visit: www.shanksplc.com

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