

Press Release

1 December 2015

Shanks sells non-core Industrial Cleaning Wallonia business

Shanks Group plc (LSE:SKS), the international waste-to-product business, today announces that it has completed the disposal of its non-core Industrial Cleaning Wallonia business in Belgium for nominal consideration.

The business undertakes manual and mechanical industrial cleaning for customers primarily in the chemical and steel industries. It occupies three sites in the Wallonia region of Belgium and has approximately 110 employees.

The Industrial Cleaning Wallonia business is not core to Shanks' strategy and does not have the capability to generate the required returns under Shanks' ownership. Its disposal is consistent with the Group's strategy of actively managing the portfolio to compete where Shanks is advantaged and able to increase returns. The business has been sold to a local operator, under whose ownership it is expected to benefit from plans to invest and grow it for the future.

The cash costs of exit are expected to be approximately €3m and the total loss on disposal will be approximately €4-5m, depending upon final working capital price adjustments. Future cash losses in excess of €0.7m per annum and investment in replacement capital of several million Euros will not be incurred by Shanks as a result of the disposal.

As a consequence of the simplification and focus of the remaining core business, the Belgian Commercial Division will undertake a further streamlining of supporting functions that is expected to save an additional €0.9m per annum for a cash cost of approximately €2m.

Peter Dilnot, Chief Executive, said:

"We have a stated strategy to actively manage our business portfolio to improve the quality of our earnings and to increase the return on capital employed. The Industrial Cleaning Wallonia business does not fit with our core Belgian commercial waste activities and it is in the interests of all parties for the business to be sold to a more suitable operator. We are pleased to be able to transfer all employees who work for this business to its new owner."

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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 our markets: Hazardous, Commercial and Municipal. It has operations in the Netherlands, Belgium, UK and Canada and employs approximately 3,500 people.

For more information, visit: www.shanksplc.com

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