

Press Release

14 January 2013

Shanks signs 25 year PFI contract with Wakefield Council

Leading international waste management business Shanks Group plc ('Shanks' or 'the Company') is pleased to announce that it has signed a 25 year PFI contract with Wakefield Council worth an estimated £750 million.

Under the contract, Shanks will build a residual waste treatment facility ('Facility') at South Kirkby, which will employ a number of processes to treat and recycle waste from the Wakefield District transforming it into valuable products and green energy. The facility will process up to 230,000 tonnes per annum of municipal solid waste, helping to increase the local authority's landfill diversion rate towards 90%.

The contract has been funded by the UK Green Investment Bank and a group of leading international banks; Barclays, BayernLB from Germany and Sumitomo Mitsui Banking Corporation from Japan.

The incoming municipal solid waste will be treated at the Facility in South Kirkby. A variety of materials will be segregated for recycling and the Facility will produce a refuse derived fuel, for processing at a multi-fuel plant being built at the Ferrybridge Power Station for energy recovery. A separate onsite materials recycling facility will separate out the clean mixed recycle material derived from the Wakefield District's households to be used by specialist markets.

The remaining organic waste will be treated using a state-of-the-art autoclave, which has already been built and undergone rigorous testing. This process will sterilise the remaining material before it is fed into a 65,000 tonnes per annum anaerobic digestion ('AD') plant, where it will be converted into biogas for renewable energy generation. This will both power the plant and export energy back to the grid; it is estimated that the process will generate sufficient green energy to power approximately 3,000 homes. The residue from the AD process will be used as a nutrient-rich soil conditioner.

Green waste will be processed via an enclosed air controlled composting plant. The final compost material will be used for improving land remediation schemes across the Wakefield District and wider market and a proportion made available for use by the Wakefield District's residents.

In addition to the various technologies on site, Shanks will also take over a network of Household Waste Recycling Centres (HWRCs), transfer stations and bring sites within the

Wakefield District, as well as building a Visitors Centre at the South Kirkby site, to be used for the purpose of waste education and the promotion of waste minimisation.

The contract will see approximately 250 people recruited to work on construction of the new facilities and a further 60 permanent positions created, making a significant contribution to the local economy.

Peter Dilnot, Chief Executive of Shanks Group plc said:

“We are delighted to have signed this contract with Wakefield Council and look forward to working with the authority and local residents to increase their diversion from landfill. Our solution will help them make more from the waste they produce by increasing recycling, generating green energy and producing compost for land remediation and use by residents.”

“We are excited that the Green Investment Bank has chosen this project as one of its first major investments, which will see Shanks draw on experience from across our Group to deliver a genuinely sustainable solution.”

Peter Box CBE Leader of Wakefield Council said:

“We are very pleased that this agreement has been signed with Shanks Group plc to manage the District’s waste and recycling. It is excellent news for the district, bringing jobs and investment, as well as improving a service which is always high on the public’s agenda.”

“It gives us the opportunity to safeguard jobs of current employees who work in this area and provide new jobs in one of the most deprived areas in the District with the building and opening of the new waste treatment plant in South Kirkby. We are looking forward to working with Shanks and to making a real difference to waste management in this District.”

Joanne Roney OBE, Chief Executive of Wakefield Council, said:

“This is a big step forward in how a key public service is delivered in the District. The agreement means investment in household waste collection and recycling and more jobs for the District.”

“It has been a long journey and at times challenging, but throughout the negotiations we have never lost sight of the need for additional finance to deliver a waste management system for the future. I am very pleased that this 25-year contract has now been signed and we can move on to concentrate on the job of improving waste and recycling services for everyone in the District and protecting the environment. I too look forward to working with Shanks and to seeing the new waste management plans come to fruition.”

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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