

Shanks Group plc

Shanks Named Preferred Bidder for Barnsley, Doncaster and Rotherham PFI Contract

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Shanks joint venture 3SE named Preferred Bidder for £750m Barnsley, Doncaster and Rotherham PFI Contract

Shanks Group Plc ('Shanks'), Europe's largest listed independent waste management business, is pleased to announce that its majority owned joint venture, 3SE, has been named Preferred Bidder (subject to agreement) for the Barnsley, Doncaster and Rotherham Waste Partnership ('BDR'), a 25-year PFI residual waste management contract with a value in excess of £750 million.

Under the BDR contract, Shanks will be responsible for the engineering, procurement and construction ('EPC') of the proposed waste management facilities and for the ongoing operation and management ('OM') of those facilities.

Shanks will manage over 265,000 tonnes of residual municipal waste per annum, up to 250,000 tonnes of which will be treated at Bolton Road in Rotherham, which will be the site of a proposed Mechanical Biological Treatment ('MBT') plant. This process will extract recyclable materials including metals, plastics and aggregates and will also convert the residual waste into a Solid Recovered Fuel ('SRF'). The SRF will be transported to a proposed multi-fuel plant being developed by SSE (Scottish and Southern Energy) at Ferrybridge in West Yorkshire, where it will be used to generate sustainable electricity. Under the contract Shanks will also build and operate an anaerobic digestion ('AD') plant at Bolton Road, which will produce sustainable energy from the organic material produced by the MBT process.

Construction of the MBT and AD plants, which are subject to planning permission being granted, is expected to begin in the Spring of 2013 with the facilities due to open in 2015.

Tom Drury, Chief Executive of Shanks Group Plc, said:

"We are delighted that BDR has selected Shanks' joint venture, 3SE, as its preferred bidder for such a valuable and high profile PFI contract. This award recognises Shanks' expertise in advanced and sustainable municipal waste processing technologies, together with SSE's leadership in sustainable energy generation, and brings the total of UK municipal waste under management by Shanks to more than 1.5 million tonnes. With our current pipeline of proposed projects, we are confident that we will continue to grow this amount."

Rhys Stanwix, Director of Thermal Development at SSE, said:

"We believe that 3SE provides a sustainable, best-in-class solution for BDR, not only recovering valuable recyclables but also generating energy from organic and residual waste. We are very pleased to be Shanks' joint venture partner in 3SE, which combines their market leading expertise in waste management with our expertise in sustainable energy generation."

Enquiries

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Notes to Editors

Shanks Group Plc

Shanks Group Plc is Europe's largest listed independent waste management business with operations in the Netherlands, Belgium, United Kingdom and Canada.

The company provides a range of recycling and energy recovery solutions to customers in both the public and private sector. The Group employs 4074 employees and last year it handled 7.39 million tonnes of waste achieving an overall recycling and recovery rate of 74%. The Group has a significant organic waste treatment capacity of over 1 million tonnes.

Shanks is a FTSE 250 company listed on the London Stock Exchange. In May 2010 it reported annual revenues of £684 million and trading profits of over £50 million. The company was established in 1880 and is based in Milton Keynes, Buckinghamshire.

For more information visit www.shanksplc.co.uk

3SE

3SE is a new joint venture which brings together for the first time Shanks Group Plc ('Shanks') and SSE (Scottish and Southern Energy) for the purposes of bidding for the Barnsley, Doncaster and Rotherham Waste Partnership ('BDR') contract. The partnership takes the form of an SPV, which is 75% owned by Shanks and 25% owned by SSE,

Through the SPV, Shanks will be solely responsible for the engineering, procurement and construction ('EPC') of the BDR contract facilities and for the ongoing operation and management ('OM') of those facilities. SSE will be contracted to Shanks for the treatment and off-take of the Solid Recovered Fuel ('SRF') generated at the proposed Mechanical Biological Treatment ('MBT') plant at Bolton Road in Rotherham.