

# 2010 Global Steel & Mining Conference

September 22, 2010

**Sims Metal Management  
Limited**

ASX: SGM  
NYSE: SMS

**Dan Dienst, Group CEO**  
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# Disclaimer

This presentation for Sims Metal Management Limited (“Sims” or the “Company”) is designed to provide a high level overview of aspects of the operations of Sims. The material set out in the presentation is current as of September 22, 2010 except where references are made to prior dates, particularly as it relates to “Market conditions update” and “Strategy & Outlook” sections which were formed and communicated as of August 26, 2010 (U.S.).

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**Please note that all references to \$ or dollars herein are references to Australian dollars, unless otherwise indicated.**

# Presentation Agenda

- Company overview
- Market conditions update as of August 26, 2010
- FY2010 full year results
- Strategy & outlook
- Summary

## Company Overview



Ship Loading – Newport, UK



# Company Overview

- An industry leader and world's largest listed recycler of both metals and electronics, handling and trading more than 13 million tons of recyclable material in FY2010
  - Ferrous Metals
  - Non-Ferrous Metals
  - Industrial and Obsolete Grades
  - Specialty Alloys
  - Waste Electronics and Electrical Equipment
  - SAFETY A CORE DNA STRAND
- Headquartered in New York: Sims Metal Management generates approximately 68% of revenues from North America, and roughly 16% from both Australasia and European operations
- Centralised trading offices in New York (ferrous) and Hong Kong (non- ferrous)
- Tremendous operating leverage for earnings growth as and when economic conditions improve
- Moving raw materials through global trade channels
- Sims Metal Management has the best and the brightest talent in the industry
- As of June 30, 2010 the Company had net cash balances of approximately \$15 million and undrawn lines of credit of approximately \$1.3 billion recently increased to \$1.5 billion
- Publicly listed on the NYSE and Australian Securities Exchange



**Well positioned and strongly capitalised for growth**

# Global Footprint



- Approximately 230 facilities on five continents and 20+ countries
- Trade offices or agents in every major scrap importing or exporting country
- Market leading positions in North America, Australia, New Zealand, and the United Kingdom
- World's largest electronics recycler

# Metal Recycling Business



- Metal recycling operations on four continents with more than 30 shredders worldwide

- Recent investments in advanced non-ferrous downstream separation already deployed in New Jersey, LA and Connecticut – expected roll out to other NA markets, the UK and Australia in FY2011

- Deep water export facilities in strategic markets, including:

- New York/New Jersey/ Pennsylvania/ Connecticut/Los Angeles/San Francisco/Virginia
- Sydney/Perth/Melbourne/Brisbane
- Newport/Avonmouth/Hull

# Sims Recycling Solutions (SRS)

SRS is the world's largest and only global electronics recycler

- \$657 million in sales in FY2010
- Well positioned in European and North American Markets, developing APAC e-recycling business
- Volumes growing organically through legislation and otherwise
- Acquired Technorecycle GmbH in Germany in September 2009, Wincanton e-recycling assets in UK in July 2010
- Strong FY2010 performance



Sims Recycling Solutions Newport  
WEEE Facility – Newport, UK



# Commitment to Sustainability



- One of the greenest companies in the world, committed to reducing energy consumption by diverting raw materials from the waste system
- Sims Metal Management was named in the Global 100 Most Sustainable Corporations in the World at the 2010 World Economic Forum in Davos, Switzerland for the second year in a row
- Dedicated energy and sustainability teams in every division

# Commitment to a Culture of Safety



- 5,600 of the best employees in the industry striving towards accomplishing our safety goals: to be shoulder to shoulder with the safest manufacturing companies in the world
- A moral and business imperative
- Dedicated regional and global Safety, Health, Environment & Community (SHEC) teams changing culture and behaviors
- Recently implemented safety initiatives led by DuPont Safety Resources in Europe and North America
- FY2010 SAFEST IN COMPANY'S HISTORY

**Safety is a CORE VALUE**

## Market Conditions Update as of August 26, 2010



Claremont Terminal Mega-shedder – Jersey City, New Jersey, USA

# Market Conditions Update as of August 26, 2010

- Ferrous scrap flows remain weak in NA and EU from a historical context, in part due to uncertain economic conditions and weather, while demand for ferrous remains streaky as steel mills match raw material inventories closely with order books and production schedules
- We expect ferrous scrap prices may further increase in the near-term due to the limited supply, particularly as U.S. mills return to the market – this could drive higher ferrous scrap prices, and ultimately improving and restoring intake
- Trading in non-ferrous scrap metal remains liquid with firm demand although flows have been recently impacted by the recent extreme weather factors in the Northern Hemisphere



## Fiscal 2010 Full Year Results



Rendering of Sunset Park Material Recycling Facility – Brooklyn, New York, USA

# Highlights of Full Year FY2010 – June 30, 2010 (Unaudited and in A\$)

- Sales revenue of \$7.5 billion down 14% on FY2009
- EBITDA of \$353 million up 36% on FY2009
- NPAT of \$127 million in FY2010
- Earnings per share of 64 cents in FY2010 (diluted)
- Dividends per share of 33 cents in FY2010
- Closed four acquisitions in FY2010
- Invested \$121 million in CapEx
- Executed \$440 million capital raise to fund technology, future growth and enhance flexibility
- Strong results from Australasia and Europe

**Maintained strong capitalisation throughout the GFC, enabling technology investment, acquisitions and efficiency projects**

# Full Year Financial Overview Provided August 27, 2010 for Period Ended June 30, 2010 & 2009

	FY 2010	FY 2009	Change (%)
<b>Sales Revenue (\$m)</b>	7,452.6	8,636.2	(13.7)
<b>EBITDA (\$m)*</b>	352.9	259.0	36.3
<b>Depreciation (\$m)</b>	109.1	120.7	(9.6)
<b>Amortisation (\$m)</b>	34.8	50.1	(30.5)
<b>EBIT (\$m)*</b>	208.1	88.2	135.9
<b>NPAT (\$m)*</b>	126.7	40.8	210.5
<b>EPS (cents)*</b>	64.5	22.5	186.7
<b>Net cash (outflow)/inflow from operating activities (\$m)</b>	(47.5)	554.4	(108.6)
<b>Capital Expenditures (\$m)</b>	120.9	187.5	(35.5)
<b>Net (Cash) Debt (\$m)</b>	(15.1)	105.6	114.3
<b>Net (Cash) Debt/[Net (Cash) Debt + Equity] (%)</b>	(0.5)	3.6	-
<b>Sales Tonnes ('000)</b>	12,896.6	13,212.0	(2.4)
<b>Full Fiscal Year Dividend (cents per share)</b>	33	38	(13.2)

\*FY2009 presented EBITDA, EBIT, NPAT and EPS excludes goodwill impairment of \$191.1 million, which represented \$1.05 per share.

\*FY2010 presented EBITDA is before impairment of other intangibles of \$0.9 million.

# North America Regional Results

	FY 2010	FY 2009	Change (%)
<b>Sales Revenue (\$m)</b>	\$ 5,040.0	\$ 6,368.5	(20.9)
<b>EBITDA (\$m)*</b>	\$ 178.6	\$ 228.1	(21.7)
<b>Depreciation</b>	(64.4)	(74.3)	13.3
<b>EBITA (\$m)*</b>	\$ 114.2	\$ 153.8	(25.8)
<b>Amortisation of intangibles</b>	(32.3)	(47.1)	31.4
<b>EBIT (\$m)*</b>	\$ 81.9	\$ 106.7	(23.2)
<b>Assets (\$m)</b>	\$ 3,032.3	\$ 2,770.0	9.5
<b>Employees</b>	3,338	3,221	3.6
<b>Sales Margin (%)</b>	15.7%	14.9%	-

\*Pre-goodwill impairment (FY2009), impairment of other intangibles (FY2010) and group corporate costs.



# Australasia Regional Results

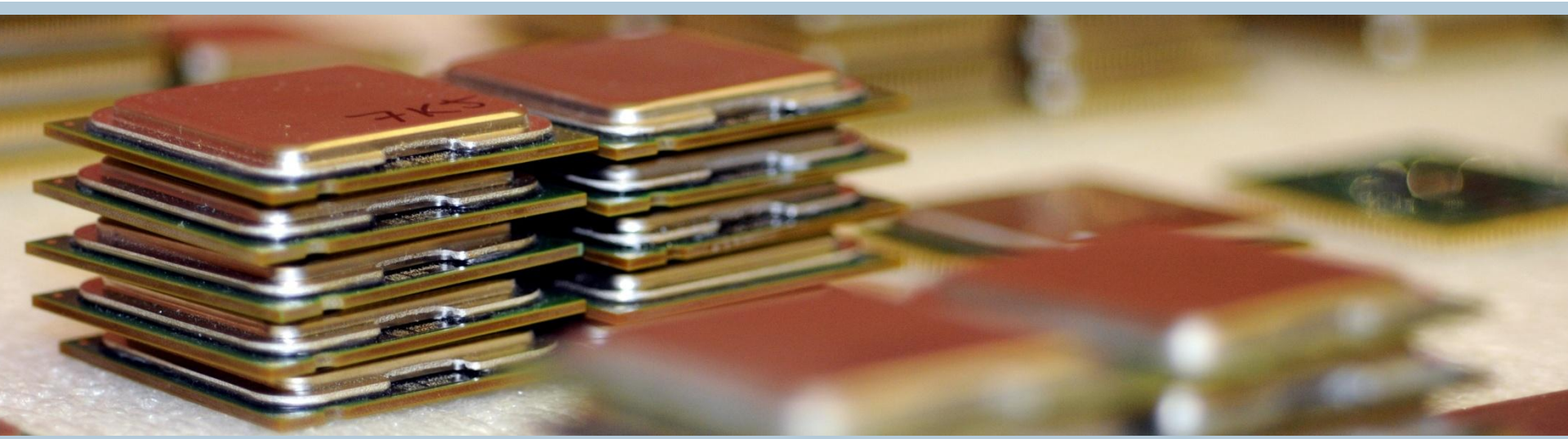
	FY 2010	FY 2009	Change (%)
<b>Sales Revenue (\$m)</b>	\$ 1,221.3	\$ 1,158.6	5.4
<b>EBITDA (\$m)*</b>	\$ 102.2	\$ 67.5	51.4
<b>Depreciation (\$m)</b>	(21.0)	(20.6)	(1.9)
<b>EBITA (\$m)*</b>	\$ 81.2	\$ 46.9	73.1
<b>Amortisation of intangibles (\$m)</b>	(0.1)	(0.1)	-
<b>EBIT (\$m)*</b>	\$ 81.1	\$ 46.8	73.3
<b>Assets (\$m)</b>	\$ 562.8	\$ 485.5	15.9
<b>Employees</b>	841	900	(6.6)
<b>Sales Margin (%)</b>	22.1%	19.5%	-

\*Pre-group corporate costs.

# Europe Regional Results

	FY 2010	FY 2009	Change (%)
<b>Sales Revenue (\$m)</b>	\$ 1,191.3	\$ 1,109.1	7.4
<b>EBITDA (\$m)</b>	\$ 91.9	\$ (6.3)	1,558.7
<b>Depreciation (\$m)</b>	(22.9)	(23.8)	3.8
<b>EBITA (\$m)</b>	\$ 69.0	\$ (30.1)	329.2
<b>Amortisation of intangibles (\$m)</b>	(2.4)	(2.9)	17.2
<b>EBIT (\$m)</b>	\$ 66.6	\$ (33.0)	301.8
<b>Assets (\$m)</b>	\$ 644.6	\$ 553.1	16.5
<b>Employees</b>	1,307	1,340	(2.5)
<b>Sales Margin (%)</b>	27.6%	24.0%	-

## Strategy & Outlook



Sims Recycling Solutions

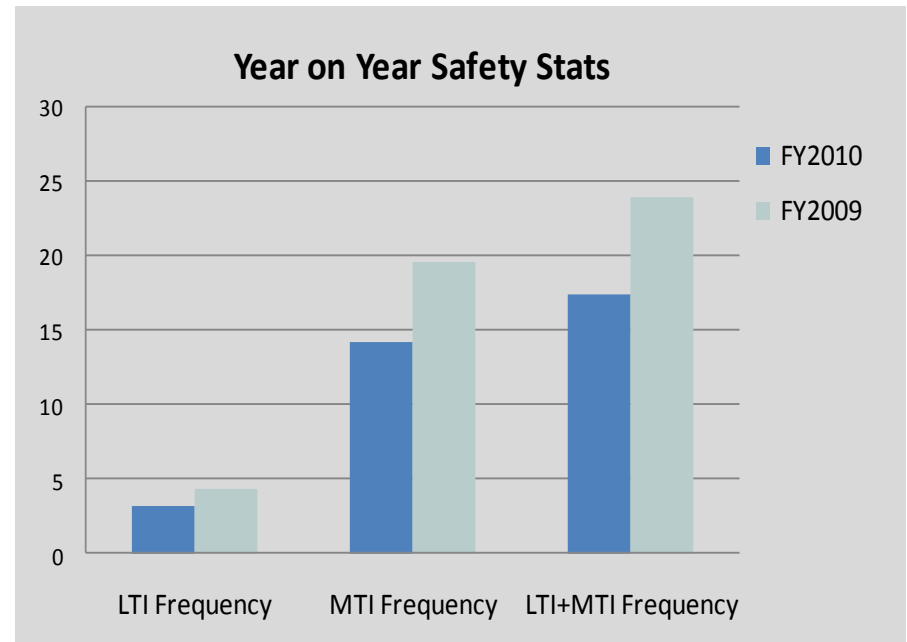
# Strategy & Outlook

- Maintain our focus on safety
- Develop and implement technology
- Pursue industry consolidation in North America
- Continue to invest and expand SRS
- Perpetuate non-speculative trading practices while at same time utilising information to make “judgement calls”



# Maintaining Our Focus on Safety

- FY2010 was the safest year in Company history
- Already one of the safest in the industry – but that's not good enough
- Safety has a direct correlation to efficiency and profitability
- Be world-class - standing shoulder-to-shoulder with the safest manufacturers in the world and ultimately the safest manufacturing organisation in the world



# Develop and Implement Technology



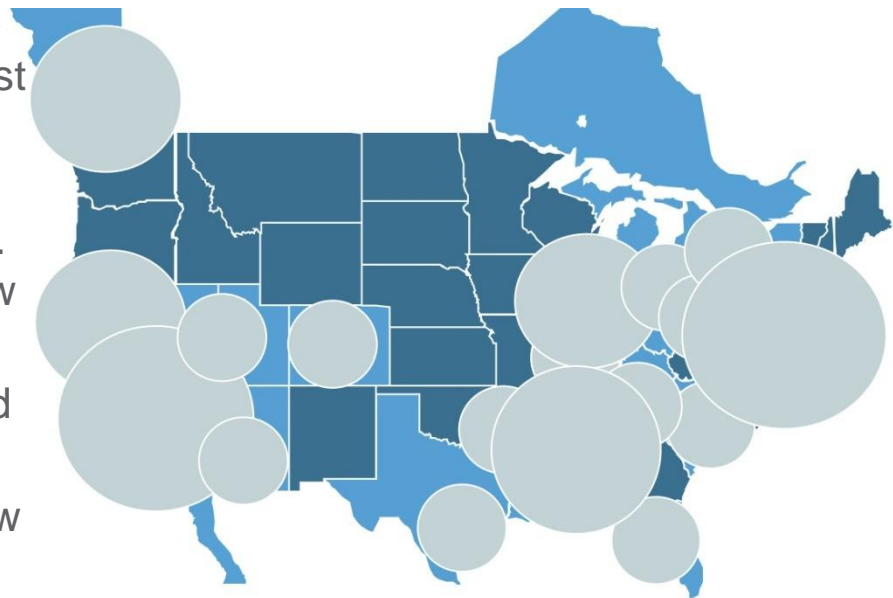
Gilman Shredder and Downstream – Gillman, South Australia, AU

- Solid balance sheet with a net cash position at June 30, 2010 ensuring financial flexibility for technology investments and acquisitions
- Sims Metal Management used the GFC period to right size and invest in high ROI projects to maximise efficiency in its operations
  - Efficiencies through technology
  - Third generation advances in downstream shredding technology
- The Company believes it will be better positioned than competitors when markets recover
- SRS is well positioned and growing in leading markets – acquiring new technologies through acquisitions

# Pursue Industry Consolidation in North America

- Sims Metal Management and its joint ventures have an unrivaled geographic footprint in North America

- Major deep-water ports on both the East and West Coast
- Access to Mississippi River from Midwest and Southern facilities, to U.S. mills and for export through Port of New Orleans
- North America remains fragmented and ripe for market consolidation
- North America Trade Corporation – new domestic ferrous brokerage platform
- All regions and facilities have access to domestic and global customers – by barge, ship, rail or truck



# Continue to Invest and Expand Sims Recycling Solutions



Sims Recycling Solutions – Daventry, Northamptonshire, UK  
(former Wincanton e-recycling asset)

- Sims Recycling Solutions is a strong contributor to EBIT

- Acquired asset management and technology platforms in UK and EU in FY2010
- FY2011 acquisition of Wincanton e-recycling assets
- Great public interest and awareness of growing issue of e-waste and proper recycling
- US collection schemes coming “online” state-by-state
- Will continue to grow organically and through acquisition



# Perpetuate Non-Speculative Trading Practices and Leveraging Advantage from Core Competencies

- Sims Metal Management has a core competency that relates to its global geographic diversity - intelligence from our worldwide presence and implementing the best practices globally back into our regions and operations
- We know that our people are our most important resource and our biggest competitive advantage
- Turn inventories with focus and buying scrap with margin
- Regulating flows based upon what we see as an opportunity for selling



# Summary

- Global leader in metal and electronics recycling industry, with the best and the brightest employees in our industry
- Committed to safe and sustainable operations
- Strong capitalisation and an entrepreneurial discipline in the deployment of capital
- Well positioned for growth and shareholder value creation due to technological improvements and successful execution of a consolidation strategy



**SIMS**  
METAL  
MANAGEMENT

**Right. Now.**