UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ **Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934**

or

☑ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended June 30, 2010

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

or

☐ **Shell company report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of event requiring this shell company report _____

Commission file number: 001-33983

Sims Metal Management Limited

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Victoria, Australia
(Jurisdiction of incorporation or organization)

110 Fifth Avenue, Suite 700
New York, NY 10011
(Address of principal executive offices)

Frank M. Moratti, Company Secretary and General Counsel
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Suite 1202, Level 12, 65 Berry Street
North Sydney, NSW 2060, Australia
(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Ordinary Shares	New York Stock Exchange*
American Depositary Shares, each representing one ordinary share	New York Stock Exchange

* Not for trading, but only in connection with the listing of American Depositary Shares pursuant to requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of June 30, 2010:
203,881,274 Ordinary Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☑ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.
☐ Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP ☐
International Financial Reporting Standards as issued by the International Accounting Standards Board ☑
Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☑ No

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EXPLANATORY NOTE

Sims Metal Management Limited is a corporation incorporated in the State of Victoria, Australia. In this annual report, references to "we," "us," "our," "Group," "Company," or "Sims" means Sims Metal Management Limited and its consolidated subsidiaries.

We present our consolidated financial statements in Australian dollars. In this annual report, references to "A$" are to the Australian dollar and references to "US$" are to the United States dollar. Except as otherwise stated, all monetary amounts in this annual report are presented in Australian dollars. References to a particular "fiscal" year are to our fiscal year ended June 30 of such year. References to years not specified as being fiscal years are to calendar years.

Our principal executive offices are located at 110 Fifth Avenue, Suite 700, New York, New York 10011 and our telephone number is (212) 604-0710. Our registered office is located at Sir Joseph Banks Corporate Park, Suite 3, Level 2, 32—34 Lord Street, Botany, New South Wales, Australia 2019. The telephone number of the registered office is (61 2) 8113 1600.

On March 14, 2008, we acquired Metal Management, Inc., or Metal Management, through a merger transaction in which the stockholders of Metal Management received American Depositary Shares, or ADSs, representing Sims ordinary shares. Where this annual report provides information for dates prior to March 14, 2008, such information does not include the historical information of Metal Management.

We maintain an internet website at www.simsmm.com. None of the information contained on our website, or on any other website linked to our website, will be incorporated in this annual report by reference or otherwise be deemed to be a part of this annual report.

FORWARD LOOKING STATEMENTS

This annual report contains a number of forward-looking statements, including statements about our financial condition, results of operations, earnings outlook and prospects. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "will," "seek" and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth in this annual report under "Item 3.D. — Risk Factors."

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this annual report.

Factors that could cause our actual results to differ materially from those contemplated by the forward looking statements include, among others, the following:

- a failure of the economy to recover from the global financial crisis and recession, or a prolonged period of weak economic growth, either globally or in our key markets;
- cyclicality and volatility in the metal recycling and steel industries;
- exposure to changes in commodity prices, currency exchange rates and interest rates;

- increases in steel imports into the United States or other significant market regions;
- ability to access the capital markets and/or obtain capital on favorable terms;
- the loss of export sales to markets outside of Australia, the United States and the United Kingdom due to changes in trade regulations or otherwise;
- competition from containerized recycled metal exports;
- exposure to customer credit risks with counterparties;
- availability of bank financing on acceptable terms to us or our customers;
- availability of adequate sources of material supply;
- reduction in demand due to a significant increase in the use of scrap substitute materials by consumers of processed recycled ferrous metal;
- legislative or regulatory changes, including those relating to protection of the environment and health and safety;
- the loss of senior executive employees or managers;
- the risk of labor disputes and risk of serious injury or death to our employees;
- costs and risks associated with defined benefit pension plans and other employee benefits;
- potential for goodwill and other identified intangible or other long-lived asset impairments and other financial and accounting issues;
- loss of foreign private issuer status;
- existing and future litigation;
- the risks of global operations, including international hostilities and terrorism;
- significant influence of our largest shareholder over transactions requiring shareholder approval; and
- risks associated with implementing technology into our business

All subsequent written and oral forward-looking statements related to the information contained in this annual report and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this annual report. Except to the extent required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The selected consolidated income statement data for the fiscal years ended June 30, 2010, 2009 and 2008 and the selected consolidated statement of financial position data as of June 30, 2010 and 2009 below are

derived from our audited consolidated financial statements which are included elsewhere in this annual report. The selected consolidated income statement data for the fiscal years ended June 30, 2007 and 2006 and the selected consolidated statement of financial position data as of June 30, 2008, 2007 and 2006 are derived from our audited consolidated financial statements, which are not included in this annual report.

In reading the selected financial data, please note that on March 14, 2008, we acquired Metal Management and its results are included only for the final 3.5 months in fiscal 2008. You should read our selected financial data in conjunction with "Item 5 — Operating and Financial Review and Prospects" and our consolidated financial statements and notes thereto included elsewhere in this annual report.

	As of and for the fiscal years ended June 30,				
	2010 A$	2009 A$	2008 A$	2007 A$	2006 A$
	(in millions, except per share data)				
Income statement data:					
Revenue	7,458.5	8,641.0	7,670.5	5,550.9	3,754.5
Goodwill impairment charge	—	(191.1)	(3.3)	—	—
Share of pre-tax profit of investments accounted for using the equity method	14.5	60.8	64.6	7.0	4.2
Profit/(loss) before income tax	194.5	(122.2)	660.6	356.9	269.8
Profit/(loss) after tax	126.7	(150.3)	440.1	239.9	184.9
Basic earnings/(loss) per share (cents)[1]	64.9	(82.5)	309.3	191.1	163.0
Diluted earnings/(loss) per share (cents)[1]	64.5	(82.5)	306.3	190.0	162.5
Dividends declared per share (cents)	20.0	103.0	115.0	120.0	135.0
Dividends declared per share (US cents)[2]	16.3	63.1	102.6	94.4	92.9
Weighted average number of shares outstanding[1]	195.3	182.2	142.3	125.6	113.4
Weighted average number of diluted shares outstanding[1]	196.5	182.2	143.7	126.3	113.8
Statement of financial position data:					
Total assets	4,239.7	3,808.6	4,646.5	2,057.4	1,836.6
Borrowings	117.2	175.1	398.4	307.6	301.5
Total liabilities	960.9	949.6	1,812.6	885.3	728.7
Total equity	3,278.8	2,859.0	2,833.9	1,172.1	1,107.9

[1] Diluted earnings per share for the prior periods have been adjusted to reflect the shares issued in fiscal 2010 from our institutional placement and share purchase program. In accordance with IAS 33 *Earnings Per Share*, an adjustment to shares issued is required in the calculation of earnings per share when shares are offered to existing shareholders at a discount to the market price. This gives rise to a retrospective restatement of the weighted average number of shares.

[2] The US dividend amount represents the net dividend paid to ADS holders by the depositary, Bank of New York Mellon, after converting the Australian dividend amount based on exchange rates at the dividend payment date and after withholding a fee of US$0.01 per share. See "Item 12.D. — American Depositary Shares."

Exchange Rate Data

For the periods indicated, the following table sets forth information concerning the exchange rate between the US dollar and the Australian dollar. The data are expressed in US dollars per Australian dollar and are based on noon buying rates published by the Federal Reserve Bank of New York for the Australian dollar. The average rate for a year means the average of the exchange rates on the last day of

each month during that year. The average rate for a month means the average of the daily exchange rates during that month.

	Period End Rate	Average Rate	Highest Rate	Lowest Rate
For the fiscal year ended June 30:				
2010	0.8480	0.8820	0.9369	0.7751
2009	0.8055	0.7483	0.9797	0.6073
2008	0.9562	0.9042	0.9644	0.7860
2007	0.8491	0.7925	0.8491	0.7407
2006	0.7423	0.7472	0.7781	0.7056
For the month ended:				
November 2010 (through November 26)	0.9640	0.9919	1.0162	0.9640
October 2010	0.9796	0.9811	0.9943	0.9666
September 2010	0.9640	0.9398	0.9714	0.9093
August 2010	0.8910	0.8997	0.9170	0.8807
July 2010	0.9051	0.8786	0.9051	0.8380
June 2010	0.8480	0.8539	0.8818	0.8192

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Set forth below are risks that we believe are material to our business operations. Additional risks and uncertainties that are presently unknown or deemed to be immaterial may also adversely affect our business operations. If any of the following risks occur, our business operations may be materially adversely affected.

Global economic conditions and recession in many parts of the world have adversely affected our results of operations and financial condition and are expected to continue to do so, until global economic conditions and scrap intake improves.

Our business is affected by economic conditions both globally and regionally. Global financial and credit markets have been extremely unstable and unpredictable and economic conditions in some of the countries in which we operate have been weak. The instability of the credit markets and weakness of the global economy could continue to adversely affect the demand for our customers' products, the amount, timing and stability of their orders from us, the financial strength of our customers and suppliers, their ability or willingness to do business with us, our willingness to do business with them, our suppliers' and customers' ability to fulfill their obligations to us and the ability of our customers, our suppliers and us to obtain credit. These factors have adversely affected, and could continue to affect, our results of operations and financial condition.

The metal recycling industry has historically been, and is expected to remain, highly cyclical and has been subject in the past to significant fluctuations in scrap metal prices as well as changes in supply and rapid demand, which could have a material adverse effect on our results of operations and financial condition.

Scrap metal prices and scrap intake are volatile and the operating results of the metal recycling industry, in general, have historically been cyclical, and are expected to remain highly cyclical, and our operations, specifically, are expected to be highly cyclical in nature. After rising during 2007 and through August 2008, scrap metal prices in global markets fell sharply in September 2008 due to a collapse in demand and the result was excess supply in the industry. The decline in prices during this period adversely affected the results of scrap metal companies, including Sims, resulting in lower revenues and write-downs of inventories to net realizable value. As a consequence of the lingering effect of the global financial crisis on our business in 2009 and 2010, we have continued to encounter significant volatility in scrap pricing and demand. Our business conditions in our largest market being North America remain challenging.

Scrap metal prices are sensitive to trends in cyclical industries, such as the automotive and construction industries. In the past, substantial price decreases during periods of economic weakness have not always been offset by commensurate price increases during periods of economic strength. Although scrap prices have stabilized to a degree, the timing and extent of factors that will lead to a recovery to inbound flows of scrap cannot be predicted. Recovery of inbound volumes will likely depend on a broad recovery from the current global economic downturn, although the length and nature of business cycles affecting the scrap metal industry have historically been unpredictable. We believe that constrained consumer spending in durable items such as automobiles and white goods has contributed greatly to reduced intake. Additionally, if we were to experience a protracted downturn in scrap metal prices, this would adversely affect our results of operations and financial condition, including, possible losses arising from write-downs of inventories and other adjustments including, but not limited to, write-downs of long-lived assets such as property, plant and equipment and intangible assets.

Fluctuations in commodity prices could have a material adverse effect on our results of operations and financial condition.

We are exposed to commodity price risk during periods in which we have title to products that are held in inventory for processing or resale. Prices of commodities, including recycled metals, can be volatile due to numerous factors beyond our control. In an increasing price environment for raw materials, competitive conditions may limit our ability to pass on price increases to our consumers. In a decreasing price environment for processed recycled metal, we may not have the ability to fully recoup the cost of raw materials that we procure, process and sell to our customers. New entrants into our markets could result in higher purchase prices for raw materials and lower margins from our recycled metal. We are unable to hedge positions in certain commodities, such as recycled ferrous metal, where no established futures market exists. Thus, our sales and inventory position will be vulnerable to adverse changes in commodity prices, which could adversely impact our operating and financial performance. We operate a global trading business that is involved in the purchase and sale of ferrous steel making raw materials without a corresponding sale or purchase. At any time, our global trading business may have a material number of “open” or “at risk” trading positions. To the extent that markets move in an adverse direction and we have not covered our position, this will have an adverse impact on our results of operations and financial condition.

Developments in the steel industry could have a material adverse effect on our results of operations and financial condition.

The scrap metal industry, and our business specifically, may also be adversely affected by increases in steel imports into the United States, or US, or other significant market regions, such as Australia and the United Kingdom, or UK, which may have an adverse impact on steel production in such market regions and a corresponding adverse impact on the demand for recycled metal from some of our

facilities within such market regions. Additionally, the scrap metal industry, and our business specifically, could be negatively affected by changes in tariffs, or increased freight costs which could negatively impact export sales or attract imports of recycled metal or metal substitutes, which could, in turn, reduce demand for our recycled metal. In recent years, certain steel manufacturers have vertically integrated into the scrap metal recycling industry. This has reduced domestic demand for scrap metal in our markets and increased our focus and reliance on export markets.

Exchange rate fluctuations could have a material adverse effect on our results of operations and financial condition.

We are exposed to movements in currency exchange rates in the countries in which we operate. Although our reporting currency is the Australian dollar, we have significant assets, liabilities and earnings denominated in currencies other than the Australian dollar, in particular US dollars, British pounds and Euros. These assets, liabilities and earnings, therefore, are exposed to fluctuations in exchange rates between these currencies and the Australian dollar. In general, an appreciation of the Australian dollar against another currency, and most particularly the US dollar, would adversely affect our results of operations, while a depreciation of the Australian dollar against another currency would have a favorable impact.

Currency exchange rates have been extremely volatile in recent periods. In addition, exchange rate fluctuations may reduce the value of investments in overseas subsidiaries and associated companies and adversely affect our accumulated other comprehensive income. As a result, exchange rate fluctuations may negatively affect our results of operations and financial condition.

Changes in interest rates could have a material adverse effect on our results of operations and financial condition.

All of our borrowings have variable interest rates. It may not be possible for us to effectively hedge against changes in interest rates at all, in certain circumstances or on an economically reasonable basis. Increases in market interest rates would increase our borrowing costs and could have a material adverse effect on our results of operations and financial condition.

The recent volatility and disruption of credit and equity markets may impede or prevent our ability to access the capital markets in the future and/or obtain capital on favorable terms.

In recent years, the credit and equity markets of both mature and developing economies have experienced extraordinary volatility, asset erosion and uncertainty, leading to governmental intervention in the banking and automobile manufacturing sectors in the US and abroad on an unprecedented scale. While currently these conditions have not impaired our ability to access credit and equity markets to finance our operations and fund our expansion, there can be no assurance that there will not be any further deterioration in the capital markets that could restrict our access to such markets. Until the credit and equity markets normalize on a long-term and sustainable basis, we may not be able to access the capital markets when required, or to access them on acceptable terms, to obtain funding needed for expansion or operation of our business in furtherance of our strategic plan. In addition, changes in the capital or other legal requirements applicable to commercial lenders may affect the availability or increase the cost of borrowing under our credit facilities. If we are unable to obtain needed capital in this manner on terms acceptable to us, that condition may limit our growth initiatives or require us to take other actions that could adversely affect our business, results of operations and financial condition.

The loss of export sales could adversely affect our results of operations and financial condition.

A significant portion of our recycled metal sales is exported to markets outside of Australia, the US and the UK, with significant sales to customers in China, Turkey, South Korea and Malaysia. If business opportunities in these markets were to decline significantly for any reason and alternative markets could not be found at comparable market prices, it would have a material adverse effect on our results of operations and financial condition. Other risks associated with our export business include, among other factors, political and economic factors, economic conditions in the world's economies,

changes in legal and regulatory requirements, purchases or exports of recycled metal, freight costs and customer collection risks. Any of these factors could result in lower export sales, which could have a material adverse effect on our results of operations and financial condition.

We are subject to competition from containerized recycled metal exports which can negatively affect our port operations and marketing programs.

We generate a significant proportion of our earnings from the export of recycled metal. There has been an increasing recent trend of containers being used to export recycled metal. These containers are being used for exporting materials at a relatively low cost because vessel operators provide lower freight costs to container shippers relative to bulk shippers. Small recycled metal operators, principally in the Southwestern US, have been exporting significant quantities of recycled metal in containers in competition with us. The increasing competition from containerized recycled metal exports may reduce scrap intake to our yards and our gross margin on export sales, and accordingly, may have a material adverse effect on our results of operations and financial condition.

The commercial counterparties we transact with may not meet their obligations which could have a material adverse effect on our results of operations and financial condition.

We commercially contract with a large number of commercial and financial counterparties including customers, suppliers and financial institutions. We generally do not enter into long-term contracts with our customers. In addition, certain of our customers have in the past sought to terminate or modify their contracts on short notice without the payment of monetary or other penalties. The global financial crisis has placed strains on global financial markets, reduced liquidity and impacted business conditions generally. Our existing counterparty credit controls may not prevent a material loss due to credit exposure to a major customer or financial counterparty. In addition, customers or suppliers may fail to perform against existing contracts and obligations causing us to remarket our scrap and potentially realize lower prices and margins. These factors could negatively affect our results of operations and financial condition.

Potential credit losses from significant customers could adversely affect our results of operations and financial condition.

In connection with the sale of products (other than sales with letters of credit), we generally do not require collateral as security for customer receivables nor do we typically purchase credit insurance. We may have significant balances owing from customers that operate in cyclical industries and under leveraged conditions that may impair our collection of those receivables. We sell scrap metals to steel mills and other consumers which may have difficulty refinancing maturing obligations because of the conditions prevailing in the global credit markets. Failure to collect a significant portion of amounts due on those receivables could have a material adverse effect on our results of operations and financial condition.

We rely in part on lines of credit from commercial banks to finance our operations. Our results of operations and financial condition would be materially adversely affected if we were unable to continue to have access to bank financing on acceptable terms.

As of June 30, 2010, the total amount available under these facilities was A$1,422.9 million of which A$146.9 million (including guarantees) was outstanding, resulting in A$1,276.0 million of additional borrowing availability under the facilities. At June 30, 2010, we also had cash balances of approximately A$132.3 million. If these banking institutions were to fail or to otherwise become unable or unwilling to satisfy their obligations to us under our credit agreements, then these events would be likely to have a material adverse effect on our results of operations and financial condition. Furthermore, the credit facilities contain customary events of default. The occurrence of an event of default under a credit facility could result in the termination of such credit facility by the relevant lender and, due to the existence of cross default provisions among our various lenders, could result in the termination of all of

our credit facilities. Should these events occur, then they would be likely to have a material adverse effect on our results of operations and financial condition. We are also subject to certain financial covenants under the credit facilities which are measured on a bi-annual basis. If we are unable to comply with such covenants then such non-compliance would result in a deemed default under the facilities due to the aforementioned cross default provisions. Although we were in compliance with all of the financial covenants in our credit facilities as of June 30, 2010, based on economic uncertainty arising from the global financial crisis and its lingering effects on commodity markets, there can be no certainty or assurance given that we will be able to continue to comply with our financial or other obligations under the credit facilities.

All of our lenders may vary the terms of their facilities to their satisfaction during our annual repricing negotiations, or with varying notice periods, give notice of termination of their facilities. There can be no assurance that our lenders will continue to provide us with financing on acceptable terms.

Given the continuing difficult capital market conditions caused by the global credit crisis, there can be no assurance that we will be able to extend or refinance our existing credit facilities when they mature. If we are able to extend or refinance our existing credit facilities, there can be no assurance that the financial and other terms of the new facilities will be comparable to the terms of our existing credit facilities or that the available terms will be acceptable to us. Our inability to extend or refinance our existing credit facilities at all, or on terms comparable to the terms of our existing credit facilities, could have a material adverse effect on our results of operations and financial condition.

As of June 30, 2010, approximately A$1.0 billion of our credit facilities were denominated in Australian dollars. We use these credit facilities periodically to fund our operations in the US and Europe. If the Australian dollar were to weaken significantly against the US dollar, the Euro or the British pound, then there would be a reduction in the amount of US dollar, Euro and British pound borrowings that could be made available from the Australian credit facilities. This would in turn adversely impact our ability to fund our US and European operations.

The profitability of our metal recycling operations depends, in part, on the availability of an adequate source of supply and scrap flows have been adversely impacted by the global financial crisis and its lingering effects in the US, the UK and elsewhere.

We procure our recyclable metal inventory from numerous sources. These suppliers generally are not bound by long-term contracts and have no obligation to sell recyclable metal to us. In periods of low industry prices, suppliers may elect to hold recyclable metal to wait for higher prices or intentionally slow their metal collection activities. If a substantial number of suppliers cease selling recyclable metal to us, we will be unable to recycle metal at desired levels and our results of operations and financial condition could be materially adversely affected. In addition, a slowdown of industrial production and consumer spending in the US, UK and certain other countries as has occurred from the global financial crisis has reduced the supply of industrial and post-consumer grades of scrap metal, resulting in us having less recyclable metal available to process and market.

A significant increase in the use of substitute materials by consumers of processed recycled ferrous metal could reduce demand for our products.

During periods of high demand, tightness can develop in the available supply of recycled ferrous metal. The relative scarcity of recycled ferrous metal, particularly prime or industrial grades, during such periods provides opportunities for producers of substitute products, such as pig iron and direct reduced iron pellets. It cannot be assured that the use of substitutes to recycled ferrous metal will not proliferate in the future if the prices for recycled metal rise or if the supply of available unprepared ferrous metal tightens. A number of third parties around the world are developing technologies to produce recycled ferrous metal substitutes. If these efforts prove successful, they could become significant competitors and

could adversely affect our results of operations and financial condition.

Our operations are subject to extensive governmental regulation in each of the jurisdictions in which we operate.

In each of the jurisdictions in which we operate, we are subject to a variety of laws and regulations relating to trade, competition, taxes, employees and employee benefits, worker health and safety, land use, the environment, transportation activities, international trade, and other matters. We may be required to make significant expenditures and to devote substantial management time and attention in order to operate our business in compliance with such laws and regulations. In addition, changes in these laws or regulations or their interpretations or enforcement may require us to make significant additional expenditures or to change our business practices. If we fail to comply with applicable laws and regulations, we could incur criminal or civil fines, penalties, assessments or other damages which could be substantial and could have material restrictions or limitations placed on our business operations. In certain cases, such failure to comply also may give rise to potential claims for damages by private parties. Furthermore, we are dependent on international markets for shipping scrap and if laws or regulations were to prohibit or limit our ability to ship between continents, there could be an adverse effect to our results of operations and financial condition.

Our operations are subject to stringent environmental laws, regulations and permit and license requirements.

We are subject to comprehensive statutory and regulatory environmental requirements at all levels of government relating to, among others:

- the storage, treatment, handling and disposal of solid and hazardous waste and other hazardous materials;
- the discharge of materials and emissions into the air;
- the discharge of materials into water or the ground;
- the management, treatment and discharge of wastewater and storm water;
- the prevention and remediation of impacts to soil, surface water and groundwater; and
- the protection of employee health and safety.

The nature of our business, and previous operations by others at facilities currently or formerly owned or operated or otherwise used by us, exposes us to risks of claims under environmental laws and regulations, especially for the remediation of soil or groundwater contamination. We may be required to make material expenditures for remedial activities or capital improvements with regard to sites currently or formerly owned or operated or otherwise used by us.

Environmental statutes and regulations have changed rapidly in recent years by requiring greater and more expensive protective measures. Thus, it is possible that we will be subject to even more stringent environmental standards in the future. For example, in many jurisdictions in which we operate, there is actual or potential regulation and or legislation relating to the removal of mercury-containing devices, e.g. mercury switches from automobile hulks that are purchased and processed by us. Legislation or regulations that may be enacted in the future cannot be presently known and neither can the effects, if any, that any such law or regulation could have on our business. For these reasons and others, the future capital expenditures for pollution control equipment, remediation or other initiatives that may be required cannot be predicted with accuracy. However, it is generally expected that environmental standards will become increasingly more stringent and the expenditures necessary to comply with those heightened standards will correspondingly increase.

Because companies in the metal recycling industry have the potential for discharging wastes or other regulated materials into the environment, in any given year, a significant portion of our capital expenditures could be related, directly or indirectly, to pollution control or environmental remediation.

In addition, some products we sell, or have sold in the past, are subject to electronics recycling legislation in certain jurisdictions or other legislation regulating certain aspects of the materials used in and the manufacturing or design of the product. Many jurisdictions are also considering similar legislation that may impact products we sell or sold and these laws could have a material adverse impact on our results of operations and financial condition.

We are required to maintain, and to comply with, various permits and licenses to conduct our operations. Failure to maintain, or violations of, any permit or license, if not remedied, could result in us incurring substantial fines, suspension of operations or closure of a site. Further, our metal recycling operations are conducted primarily outdoors and, as such, depending on the nature of the ground cover, such outdoor operations will involve the risk of releases of wastes and other regulated materials to the soil and possibly to surface water or groundwater. As part of our continuous improvement programs, we expect to incur costs to improve environmental control systems. Additionally, there also are requirements to possess permits and licenses that are necessary to sell and ship scrap metal into certain markets and if we were unable to renew such licenses or permits, our ability to market scrap metals in certain jurisdictions could be impacted and negatively affect our results of operations and financial condition.

Regulation of greenhouse gas emissions and climate change issues may adversely affect our operations and markets.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. For example, in 2007, the US Supreme Court ruled that the US Environmental Protection Agency, or USEPA, was authorized to regulate carbon dioxide emissions under the US Clean Air Act, which USEPA has begun to do. International treaties or agreements also may result in increasing regulation of greenhouse gas emissions, including the introduction of carbon emissions trading mechanisms, in jurisdictions in which we operate. Any such regulation likely will result in increased future energy and compliance costs and may result in increased future capital expenditures. From a medium- and long-term perspective, we are likely to see an increase in costs relating to our assets that emit significant amounts of greenhouse gases as a result of these regulatory initiatives. These regulatory initiatives will be either voluntary or mandatory and may impact our operations directly or through our suppliers or customers. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which we operate.

The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances. These effects may adversely impact the cost, production and financial performance of our operations.

Our operations generate waste that is required to be treated, stored and disposed of in accordance with applicable environmental laws.

Our metal recycling operations produce significant amounts of waste that we are required to pay to have treated or discarded. For example, we operate shredders for which the primary feedstock is automobile hulks and obsolete household appliances. Approximately 20% of the weight of an automobile hulk consists of non-metallic material, commonly referred to as shredder fluff or automobile shredder residue, or ASR, which constitutes the remnant material after the separation of saleable ferrous and non-ferrous metals. Environmental regulations in countries in which we operate require us to test ASR to determine if it is to be classified as hazardous waste before disposing of it off-site in permitted landfills or beneficially reusing it as alternate daily landfill cover material. Our other waste streams in the US and

other countries in which we operate are subject to similar requirements. Additionally, we employ significant source control programs to ensure, to the fullest extent possible, that prohibited hazardous materials do not enter our raw materials stream. However, we cannot be assured that such materials will be successfully removed from our source streams and resultant recycling by-products. As a result, our waste streams may, from time to time, be classified as hazardous waste in which case we may incur higher costs for disposal of these waste streams.

Environmental assessments, conducted by independent environmental consulting firms, of certain of our operating sites have revealed that some soil impacts, potentially including impacts associated with various metals, petrochemical by-products, waste oils, polychlorinated biphenyls, which are referred to as PCBs, and volatile organic compounds are, or may be, present at varying levels. It is likely that such impacts at varying levels may exist at some of the sites and it is expected that some of these sites could require investigation, monitoring and remediation in the future. The costs of such remediation could be significant. The existence of such impacts at some of our facilities potentially could require us to incur significant costs to remediate and could materially adversely affect our ability to sell those properties.

We may have potential environmental investigation and cleanup liabilities.

Certain of our US subsidiaries have received notices from USEPA, US state agencies or third parties that they have been identified as potentially responsible for the cost of investigation and cleanup of landfills or other sites where our subsidiary's material was shipped or was otherwise released. In most cases, many other parties are also named as potentially responsible parties. The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, enables USEPA and other entities to recover from owners, operators, generators and transporters the cost of investigation and cleanup of sites which pose or may pose serious threats to the environment or public health. In certain circumstances, a potentially responsible party may be held jointly and severally liable for the cost of cleanup. In other cases, a party which is liable may only be liable for a divisible share. Liability may be imposed even if the party shipped materials in a lawful manner at the time of shipment. Liability for investigation and cleanup costs can be significant, particularly in cases where joint and several liability may be imposed. CERCLA, including the Superfund Recycling Equity Act of 1999, limits the exposure of metals recyclers for sales of recyclable material under certain circumstances. However, the recycling defense is subject to conducting reasonable care evaluations of current and potential consumers. Because CERCLA liability can be imposed retroactively on shipments that occurred many years ago, and because USEPA and state agencies are still discovering sites that present problems to public health or the environment, we cannot be assured that we will not become liable in the future for significant costs associated with investigation and remediation of CERCLA sites.

We do not have environmental impairment insurance, except in limited amounts for specific circumstances.

In general, because we believe that the cost of the premiums outweighs the benefit of coverage, we do not carry environmental impairment liability insurance. If we were to incur significant liability for environmental damage, such as a claim for soil or groundwater remediation, our results of operations and financial condition could be materially adversely affected.

Our operations present risk of serious injury or death.

Because of the heavy industrial activities that are conducted at our facilities, there exists a risk of serious injury or death to our employees or other visitors to our operations, notwithstanding the safety precautions that are taken. Our operations are subject to regulation by governmental agencies responsible for employee health and safety. We currently have in place policies and workplace strategies to minimize this risk to employees and other visitors to our facilities and, accordingly, to minimize the risk that we will incur government fines for violations of such regulations. We may, nevertheless, be unable to avoid material liabilities for any death or injury that may occur in the future and these types of incidents may

have a material adverse effect on our results of operations and financial condition.

The loss of any member of our senior management team or a significant number of our managers could have a material adverse effect on our results of operations and financial condition.

Our operations depend heavily on the skills and efforts of our senior management team. In addition, we rely substantially on the experience of the management of our businesses with regard to day-to-day operations. While we have employment agreements with certain of our senior management team, we may be unable to retain the services of any of those individuals. The loss of any member of our senior management team or a significant number of managers could have a material adverse effect on our results of operations and financial condition.

We may not be able to negotiate future labor contracts on favorable terms.

Many of our employees are represented by various labor unions. As the agreements with those unions expire, we may not be able to negotiate extensions or replacements of them on terms favorable to us, or at all, or avoid strikes, lockouts or other labor actions from time to time. Therefore, as labor contracts expire, we cannot be assured that new labor agreements will be reached with our unions or on terms that we find acceptable. Any labor action resulting from the failure to reach an agreement with our unions could have a material adverse effect on our results of operations and financial condition.

Declines in the market value of equity and/or debt securities held by our pension plans may decrease the value of our pension plan assets, which in turn may increase the cost of satisfying our pension obligations and may negatively affect our results of operations and financial condition.

If the fair value of our pension plan assets were to decline, or if there is a change in the actuarial assumptions on which the calculations of the projected pension obligations or pension plan assets are based, such as a decline in the discount rate or the expected rate of return on plan assets, we may incur additional losses. Changes in the interest rate environment and other factors may also adversely affect the amount of unfunded pension obligations. In addition, we contribute to various multi-employer pension plans which cover employees under collective bargaining agreements. The required contributions are specified in such collective bargaining agreements. However, we may be required to fund additional amounts in the future if one or more of these multi-employer plans do not meet regulatory funding guidelines.

Changes in assumptions underlying the carrying value of goodwill or other identifiable intangible assets, as a result of adverse market conditions, could result in an impairment of such assets and adversely affect our results of operations, the price of our securities and our ability to pay dividends.

In accordance with IFRS, we test goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, or CGU, to which the goodwill relates. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In fiscal 2009, the global financial crisis and recession led to the decline in our market capitalization and negatively affected the fair value of our CGUs for purposes of our periodic testing of goodwill for impairment. As a result, we recorded A$191.1 million of goodwill impairment charges in fiscal 2009. As of June 30, 2010, the balance of goodwill and other identifiable intangible assets was A$1,151.7 million and A$195.2 million, respectively.

The metal recycling industry is highly cyclical and we are more likely than other less cyclical companies in other industries to incur impairment losses due to variability in our earnings and cash flows. We may be required to record additional impairment charges relating to goodwill in future periods if the

fair value of any of our CGUs declines below the fair value of related assets net of liabilities. Any additional impairment charges will negatively affect our results of operations and financial condition.

If we fail to maintain adequate internal controls over financial reporting in accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we may be unable to produce timely financial statements which could result in a loss of investor confidence and cause the price of our ordinary shares and ADS to decline.

Beginning with our annual report on Form 20-F for fiscal 2009, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or SOX 404, and the regulations of the Securities and Exchange Commission, or SEC, thereunder which require our senior executives and senior financial officers to assess the effectiveness of our internal controls over financial reporting on an annual basis.

Material weaknesses in our internal control over financial reporting could result in the inability of investors to rely on our financial statements, which could result in an adverse effect on the perceived value of the company and, thus, a reduction in our stock price. Management is responsible for establishing and maintaining adequate internal controls over financial reporting. If material weaknesses are identified in future periods, our shareholders may face additional risks. The existence of material weaknesses could impair our ability to comply with applicable financial reporting requirements and our ability to make related regulatory filings on a timely basis which could result in the loss of investor confidence in the reliability of our financial statements. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ordinary shares and ADS, could be materially and adversely affected.

If we were to lose our foreign private issuer status under US federal securities laws, we would likely incur additional expenses associated with compliance with the US securities laws applicable to US domestic issuers.

We are a foreign private issuer, as such term is defined in Rule 405 under the Securities Act, and, therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, applicable to US domestic issuers. In order to maintain this status, a majority of our ordinary shares, including ordinary shares underlying our ADSs, must be either directly or indirectly owned of record by non-residents of the US as we do not currently satisfy any of the additional requirements necessary to preserve this status. Currently, we believe that a majority of our ordinary shares are held by non-residents of the US. If we lost this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to US domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC, and New York Stock Exchange, or NYSE, rules. The regulatory and compliance costs to us under US securities laws if we are required to comply with the reporting requirements applicable to a US domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer.

We are exposed to the risk of legal claims and other liabilities that may have a material adverse effect on our results of operations and financial condition.

We are exposed to the risk of legal claims and other liabilities arising in connection with the operation of our business that may have a material adverse effect on our results of operations and financial condition. These claims and liabilities may include (i) claims by employees or former employees relating to personal injury, compensation or employment law violations; (ii) environmental, land use and other claims arising out of the ownership or operation of facilities; and (iii) disputes with customers, suppliers and other business relations. The nature of our business may make us more likely than some other companies to be exposed to the risk of legal claims and other liabilities. In particular, metal

recycling companies are generally exposed to higher risks of environmental claims and liabilities than companies in non-manufacturing industries, and employees working in the metal recycling industry may be more likely to suffer workplace injuries than employees of companies in other industries. The resolution of these claims and other liabilities may require us to pay material damages or other costs to third parties, including potentially punitive, exemplary or other special damages. The resolution of claims may also involve an extensive commitment of senior management's time and attention, and may require changes in our business practices resulting in decreased revenues or profits or additional costs. Even if claims or other liabilities are resolved successfully, we may incur significant legal and other expenses in defending against such matters.

Our tax liabilities may substantially increase if the tax laws and regulations in the countries in which we operate change or become subject to adverse interpretations or inconsistent enforcement.

Taxes payable by companies in many of the countries in which we operate are substantial and include value added tax, excise duties, taxes on income (including profits and capital gains), payroll related taxes, property taxes and other taxes. Tax laws and regulations in some of these countries may be subject to frequent change, varying interpretation and inconsistent enforcement. In addition, many of the jurisdictions in which we operate have adopted transfer pricing legislation. If tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, it could have a material adverse effect on our results of operations and financial condition. It is possible that taxing authorities in the countries in which we operate will introduce additional revenue raising measures. The introduction of any such provisions may affect our overall tax efficiency and could result in significant additional taxes becoming payable. Any such additional tax exposure could have a material adverse effect on our results of operations and financial condition. We may face a significant increase in income taxes if tax rates increase or the tax laws or regulations in the jurisdictions in which we operate or treaties between those jurisdictions are modified in an adverse manner. This may adversely affect our results of operations and financial condition.

Our operations are subject to risks and uncertainties relating to international conflicts and terrorism.

Due to the extensive diversification of our international operations and significant presence on ports, we are subject to a higher level of risk than some other companies relating to international conflicts, wars, internal civil unrest, trade embargoes and acts of terrorism. Our international operations include sales in developing countries, which may be more likely than developed countries to be affected by international conflicts and terrorism. Risks of this type may affect facilities owned or operated by us or facilities of our suppliers or customers. In addition, risks of this type may affect port facilities or other transportation infrastructure owned or used by us in the operation of our business. In circumstances implicated by international conflicts, there could be severe limitations imposed on intercontinental shipments of materials which could have a material adverse effect on our results of operations and financial condition.

Our largest shareholder has significant influence over transactions requiring shareholder approval.

Mitsui Raw Materials Development Pty Limited holds approximately 18% of the outstanding ordinary shares of Sims and is our largest shareholder. Under our constitution, Mitsui & Co., Ltd and any of its related corporate bodies, which are collectively referred to as Mitsui, have the right to designate a representative director to serve on our Board so long as Mitsui holds 5% or more of Sims ordinary shares and, so long as Mitsui holds 15% or more of Sims ordinary shares, then Mitsui has the right to designate both a representative director and an independent director to serve on our Board. Currently, M. Paul Sukagawa is Mitsui's designated representative director and Christopher J. Renwick is Mitsui's designated independent director. Mitsui may have interests with respect to its investment in Sims that are different from, or in addition to, the interests of other holders of Sims ordinary shares or ADSs. The extent of Mitsui's shareholding in Sims could also have the effect of discouraging offers to acquire control of Sims and may preclude holders of Sims ordinary shares or ADSs from receiving any premium

above the market price for their shares that may be offered in connection with any attempt to acquire control of Sims.

We are dependent on technology in our business and face risks associated with implementing technology into our business.

Technology is growing increasingly important in our industry and we have made significant investment into proprietary systems and our competitors are developing different approaches to similar technologies. The technology we recently implemented relates to downstream systems intended to increase the recovery of non-ferrous metals generally and copper wire in particular from our shredding systems. Our proprietary systems may not prove successful or our competitors may develop better technologies which could have a material adverse effect on our results of operations and financial condition.

Item 4. Information on the Company

A. History and Development of the Company

Corporate Information

We are an Australian domiciled corporation that is incorporated in the State of Victoria, Australia, and we operate under the Australian Corporations Act. Our principal place of business is located at 110 Fifth Avenue, Suite 700, New York, NY 10011 and the telephone number is (212) 604-0710.

History of the Company

Sims was originally established in 1917 by Albert Sims, a Sydney-based recycled metals dealer. The business was incorporated as Albert G. Sims Limited in 1928 and was renamed Simsmetal Limited in November 1968. In November 1970, the company merged with Consolidated Metal Products Limited and the merged Australian Securities Exchange, or ASX, listed company was named Sims Consolidated Limited. In May 1979, Sims Consolidated Limited was acquired by Peko-Wallsend Limited and subsequently delisted.

In February 1988, the company entered the US scrap recycling market through our acquisition of LMC Corporation located in the state of California. In August 1988, Sims Consolidated Limited was acquired by North Limited (previously known as North Broken Hill Holdings Limited, and then North Broken Hill Peko Limited). In 1989, North Limited sold the business to Elders Resources NZFP Limited, a diversified resources company. In 1990, Carter Holt Harvey Limited made a successful takeover bid for Elders Resources NZFP Limited and divested that company's non-forestry businesses, which included Sims. Sims changed its name to Simsmetal Limited in 1990 and relisted on the ASX in November 1991.

In August 1992, we expanded our presence in New Zealand through the merger of our New Zealand business with the ferrous recycling operations owned by Pacific Steel Industries, a Fletcher Building Limited company. This joint venture, known as Sims Pacific Metals Limited, operates throughout New Zealand.

In February 1995, we acquired a 51% ownership interest in Sims Bird Limited in the UK which was our first major entry in the UK scrap metal market. We acquired the remaining 49% of Sims Bird Limited in May 1998. In April 2000, we acquired Phillip Services (Europe) Limited in the UK which significantly increased our presence in this market.

In November 2002, Simsmetal Limited changed its name to Sims Group Limited. In October 2005, we merged with entities operating certain of the recycling businesses of Hugo Neu Corporation, a

privately owned US corporation. This merger provided us with a significant presence in the US market broadly and particularly in southern California, New York and New Jersey.

On March 14, 2008, we issued 53,473,817 ADSs, with a fair value of A$1.5 billion, to purchase the issued capital of Metal Management. Metal Management was one of the largest full service scrap metal recyclers in the US with locations in 17 US states. The acquisition was consummated to strengthen our position in the North American scrap recycling market and expand our presence in non-ferrous products. The acquisition was complementary as our operations in North America were primarily export-focused while Metal Management's operations were primarily domestic-focused and included a large non-ferrous recycling business. Our acquisition of Metal Management in March 2008 created the world's largest publically-traded recycling company. In November 2008, our shareholders approved the change in our corporate name to Sims Metal Management Limited.

Acquisitions

Our corporate strategy is to grow and develop our core metal recycling business internationally, but particularly in North America and the UK, and our innovative recycling solutions business globally to collectively create the world's leading recycling company. Key elements include the pursuit of external growth opportunities and continued investment in existing operations.

Based on our experience gained from numerous international acquisitions, we have established strict acquisition criteria. The acquisition criteria require that any significant acquisition target (i) holds a leading market position; (ii) delivers access to domestic and international customers; (iii) offers a sound platform for future growth; (iv) has a similar culture, including a strong emphasis on integrity, environmental compliance and a commitment to worker safety; and (v) is able to enhance shareholder value. The acquisition criteria have underpinned our strong track record of international expansion.

From July 1, 2007 to June 30, 2010, we invested A$247.9 million of cash for acquisitions. Acquisitions during this period included:

- August 2007, we acquired the operating assets of McInerney Metals in Australia;
- October 2007, we acquired the operating assets of ER Coley (Steel) in the UK;
- November 2007, we acquired Trishyiraya Recycling Private Limited, or Trishyiraya in India;
- January 2008, we acquired the operating assets of RecommIT Limited, or RecommIT, in the UK;
- January 2008, we acquired Accu-Shred Limited in Canada;
- April 2008, we acquired Life Cycle Services, or LCS, in the UK;
- June 2008, we acquired the operating assets of Evans and Mondon Limited in the UK;
- June 2008, we acquired the operating assets of Clearhouse Technology Pty Ltd, in Australia;
- September 2008, we acquired the operating assets of Weinert Recycling in the US;
- October 2008, we acquired Global Investment Recovery, Inc., or GIR, in the US;
- February 2009, we acquired the operating assets of All Metal Recovery Limited in the UK;
- May 2009, we acquired the operating assets of Global Environment Recycling Co. Limited in the UK;
- July 2009, we acquired the operating assets of Fairless Iron & Metal, LLC in the US;
- September 2009, we acquired the operating assets of Technorecycle Buromaschinen Vertwertung GmbH in Germany;
- November 2009, we obtained control of Port Albany Ventures by acquiring 50% of the joint venture that we previously did not own; and
- April 2010, we acquired the operating assets of Border Metals Pty Ltd in Australia.

In August 2010, we acquired the e-recycling assets of Wincanton PLC, or Wincanton, in the UK.

On September 1, 2007, we merged our southern Californian metal recycling assets with those of Adams Steel LLC. This joint venture, known as SA Recycling, operates within a territory encompassing southern California, Arizona, southern Nevada and northern Mexico.

Capital Expenditures

The following table sets forth our capital expenditures by segment for the last three fiscal years.

	Fiscal years ended June 30,		
(in millions)	**2010 A$**	**2009 A$**	**2008 A$**
North America	67.6	106.4	59.9
Australasia	21.7	39.8	32.7
Europe	31.6	41.3	37.1
Total	120.9	187.5	129.7

Our primary fiscal 2010 capital expenditure activities are summarized below:

- In North America, we installed new non-ferrous separation and recovery systems in Jersey City, New Jersey and North Haven, Connecticut. In addition, investments were made to further improve our operational efficiency, environmental compliance and safety procedures. At our Canadian SRS operation, investment commenced on a facility to process Ontario's materials from that Province's newly legislated e-recycling program.
- In Australasia, we completed several major production and technology projects during the year. In Queensland, we significantly upgraded our Brisbane shredder which is delivering substantial capacity improvements while reducing energy consumption. We installed a state-of-the-art non-ferrous shredder residue plant at St. Marys, New South Wales.
- In Europe, the UK metals division has begun investment into technology for further separation to recover plastics and metals. We anticipate that these units will be commissioned in fiscal 2011. SRS has invested globally in value adding technologies to automate previously manual processes. By way of example, in fiscal 2010, SRS commissioned new TV and monitor glass recycling processes to automate processing and improve safety performance.

Divestures

As part of our strategy to focus on our core businesses, we divested our aluminum salt slag business on January 15, 2010 as well as our tire recycling and steel distribution businesses in Australia on June 30, 2009 and 2008, respectively. The consideration received for these divestures was not significant to us.

B. Business Overview

We believe we are one of the world's largest metals recycling companies on the basis of our market capitalization and the size and scope of our operations. We operate a geographically diverse metals recycling business with a network of processing facilities, many with deep-water port access, supported by an extensive network of feeder yards from which to source recyclable ferrous and non-ferrous metals. We have significant positions in the metals recycling markets of Australasia, the US, and the UK. We also have a strategic network of trading offices in Asia. Through our SRS business, we have an e-recycling business with a global reach and with established operations in the UK, Continental Europe and North America and a developing presence in the Asia Pacific region.

We are domiciled in Australia, however approximately 90% of our revenue is derived from

operations outside Australia, including approximately 70% derived from North America. Our business consists of Metal Recycling, SRS and other smaller businesses. The Metal Recycling business collects and processes ferrous and non-ferrous metals for sale to customers in domestic and international markets. The SRS business collects and processes post-consumer products such as televisions, radios, computers and other electronic and electrical consumer goods. Sims also operates, or has interests in, other businesses, including manufacturing and renewable energy businesses.

We are principally organized geographically and then by line of business. While our Group Chief Executive Officer evaluates results in a number of different ways, the geographical areas of operation is the primary basis for which the allocation of resources and financial results are assessed. The major geographic areas of operations are as follows:

- North America — comprising the US and Canada.
- Australasia — comprising Australia, New Zealand, Papua New Guinea, India, Singapore, Hong Kong and South Africa.
- Europe — comprising UK, Germany, Sweden, Belgium and the Netherlands.

We also report revenues by the following product groups:

- Ferrous secondary recycling — comprising the collection, processing and trading of iron and steel secondary raw material.
- Non-ferrous secondary recycling — comprising the collection, processing and trading of other metal alloys and residues, principally aluminum, copper and nickel bearing materials.
- Recycling solutions — comprising the provision of environmentally responsible solutions for the disposal of post-consumer electronic products, including IT assets recycled for commercial customers. We offer fee for service business opportunities in the environmentally responsible recycling of negative value materials including refrigerators, electrical and electronic equipment.
- Secondary processing — comprising value added processes involving the melting, refining and ingoting of certain non-ferrous metals and the reclamation and reprocessing of plastics.

See “Item 5 — Operating and Financial Review and Prospects” for sales by geography and product group.

Metal Recycling

Industry Overview

Recycled ferrous (steel and iron) scrap is one of the primary metallics utilized in the steelmaking production process. Other primary metallics include pig iron and steel scrap substitutes (i.e. directly reduced iron). Recycled ferrous scrap is the predominant feedstock for Electric-Arc-Furnace, or EAF, based steel production.

In 2009, according to the World Steel Association, or WSA, 1.227 billion tons of steel was produced globally, representing a 102.0 million ton decrease from the 2008 production level of 1.329 billion tons. China has increased steel production significantly in recent years (principally using the basic oxygen furnace steel production method) representing 46% of global steel production for 2009 as compared to 38% in 2008. According to the WSA, EAF-based steel production was 344.2 million tons in 2009 and represented approximately 28% of total global steel production, which is a 22% increase on volumes in 2000 of 283 million tons. Approximately 476 million tons of recycled steel was consumed in steel production in 2008.

Globally, recycled metals are predominantly sourced among developed industrial regions which include North America, the European Union, Australia and Japan where greater amounts of recyclable industrial and obsolete metals exist. The two most significant regions for global recycled metals are North America and the European Union where we have significant presence.

Both ferrous and non-ferrous metals are either consumed domestically in their country of origin or traded in the export market. Given the lower price to weight ratio of ferrous recycled metals, the market for unprocessed ferrous scrap is primarily a local or regional market. The predominant importers of recycled metals are developing regions and countries. The most significant importers are Turkey, China, South Korea, Taiwan, Malaysia, Indonesia and Mexico.

Our Metal Recycling Operations

Our Metals Recycling operations encompass buying, processing and selling of ferrous and non-ferrous recycled metals. We are a geographically diverse metals recycler with a network of processing facilities, many with deep-water port access, supported by an extensive network of feeder yards from which we source recyclable ferrous and non-ferrous metals. The Metal Recycling business has operations in six countries, including the US, Australia and the UK.

We buy ferrous metal from metal dealers, peddlers (individuals that constitute Sims' retail trade), auto wreckers, demolition firms and others who generate obsolete metal and from manufacturers who generate industrial metal. We process ferrous metal for resale using a variety of methods, including sorting, shredding, cutting, torching, baling or breaking. After processing, ferrous recycled metal is sold to end users such as EAF mills, integrated steel mills, foundries and brokers.

We source non-ferrous metals from manufacturers, known as production offcuts, and from generators of electricity, telecommunication service providers and others who generate obsolete metal. Peddlers and metal dealers, who collect from a variety of sources, also deliver material directly to our facilities. In addition, we generate significant quantities of non-ferrous metal as a by-product, which is referred to as NFSR, Zorba or mixed metals, from our ferrous shredding operations. We report such sales as ferrous sales.

North America

We believe we are one of the largest metal recyclers in North America. Our North American metals recycling business, including our 50% interest in SA Recycling, consisting of 108 physical operations located in 21 US states and British Columbia, Canada. Our geographic diversity and deep water port access on both the US east and west coasts provides operational flexibility and enables us to divert sales, when deemed appropriate, between export and domestic markets to maximize profitability. Other operational benefits include: reduced exposure to regional issues; flexibility of ports of origin to minimize freight movements; and reduced risks of berthing delays often experienced by users of unaffiliated terminal facilities.

Australasia

We believe we are one of the largest metals recyclers in the southern hemisphere, with 41 metal recycling operations in Australia, 9 metal recycling operations in New Zealand and 3 metal recycling operations in Papua New Guinea.

Europe

We believe we are one of the largest metals recyclers in the UK. We recover and process recycled ferrous metal through 45 physical operations strategically located to serve domestic customers and export markets. Satellite feeder yard operations, extending throughout England and Wales, facilitate the supply of metal through to our larger processing facilities. Most of our main facilities are accredited under the

ISO 9001 Quality Assurance system. Our non-ferrous operations are integrated with many of the ferrous metal sites throughout the UK, offering comprehensive service to suppliers.

Marketing

Our export and import marketing activities are conducted through our international businesses, being Sims Metal Management Asia Limited, based in Hong Kong, which markets and brokers non-ferrous metals, and Sims Global Trade Corporation, based in New York, which markets and brokers ferrous metals. These activities consist of teams of traders and exclusive agents, marketing and brokering recycled ferrous and non-ferrous metals and alternative steel making raw materials on our behalf and third parties.

Sims Metal Management Asia Limited, through its network of offices in Hong Kong, Malaysia, Vietnam and India, and Sims Global Trade Corporation manage relationships with a large percentage of our overseas client base in over twenty countries in various regions, including Asia, Eastern Europe and South America. The international businesses are also involved in the global trading of numerous metal-related commodities and provide a service to our customer base through their market and product knowledge, financial strength and expertise in shipping and banking.

Sims Recycling Solutions

Sims Recycling Solutions, or SRS, is our innovative recycling solutions business which includes electronic product de-manufacturing and processing operations, and is commonly referred to as e-recycling. SRS was launched with the construction of an end-of-life refrigerator recycling plant in the UK in 2002 and our first significant acquisition in SRS was the Mirec Group of companies. SRS now has established operations in the UK, Continental Europe and North America and a developing presence in the Asia-Pacific region.

SRS offers a comprehensive and cost-effective recycling service for “end of life” and redundant electrical and electronic equipment and materials, ranging from product assessment to recycling. We provide services for Original Equipment Manufacturers (OEMs), Contract Equipment Manufacturers (CEMs), suppliers, importers, lease and finance companies, sector organizations and end users to enable them to comply with their responsibilities under relevant environmental regulations, including the European Union’s Directive 2002/96/EC on Waste Electrical and Electronic Equipment, or the WEEE Directive.

Additionally, SRS offers business-to-business IT and electronic equipment asset management and recovery service that operates across a global network. Our services include the management and control of the entire asset management process, including transport, coordination, product identification, asset registration and reporting. We offer our clients the option of redeployment, reclamation of parts and/or resale and recycling, delivering legal compliance as well as a potential financial return from the resale of refurbished equipment.

We believe we are the world’s largest e-recycling company. We currently have 38 operating facilities located in 12 countries on five continents.

North America

In August 2003, we opened our first e-recycling facility in North America in Hayward, California. This facility processes both business-to-business products on behalf of major information technology clients and obsolete products arising as a consequence of California’s e-recycling legislation. Potential e-recycling legislation in New York and recently enacted legislation in New Jersey is also expected to provide a suitable environment for us to operate.

In fiscal 2007, we expanded our presence in North America through the acquisition of United Recycling Industries, or URI, and the acquisition of the e-recycling assets of Noranda Recycling, or Noranda. URI, based in West Chicago, Illinois, is a fully integrated e-recycler offering a range of services including the collection, refurbishment and re-sale of working equipment, parts recovery for re-sale, mechanized testing and processing of monitors, mechanical recycling of e-waste and secondary smelting and refining of high grade electronics by-product materials. The Noranda acquisition consisted of the end-of-life recycling assets of Xstrata Copper Canada's e-recycling business in Roseville, California; Brampton, Canada; and LaVergne, Tennessee.

Our acquisition of GIR in fiscal 2009 increased our North American electronics recycling and asset recovery market presence by approximately 40%, consolidating our market leading position. GIR is a leading US e-recycler and asset recovery specialist, with operating facilities in Florida, South Carolina, Nevada, Louisiana and Arizona. During fiscal 2010, we completed the integration of our North American SRS business.

We also recycle post-consumer materials through a 20 year recycling contract with the New York City Department of Sanitation. This contract became effective in January 2009. Under this contract, we handle plastic, glass and metal and, in the future, will handle paper as well. Packer trucks owned and operated by New York City deliver recyclables to our facilities, as a commingled product, which are then processed using a series of screens, magnets, eddy currents, optical sorters and conveyors. The recyclables are separated and sorted into ferrous and non-ferrous metals, different plastic resins, glass and residue. The recycled materials are shipped to US and non-US markets.

Europe

We operate one of the UK's largest and most sophisticated refrigerator recycling facilities using leading technology to fragment domestic and commercial fridges within an enclosed environment. The purpose of this process is to safely remove ozone depleting substances for destruction. The remaining materials are separated mechanically into product streams including steel, non-ferrous metals, plastics and foam. These products are then marketed in the recycled materials market.

Under the WEEE Directive, producers of WEEE are obliged to meet the costs of recovery and recycling of WEEE. Servicing the needs of the WEEE manufacturing industry and local authorities in processing WEEE in an effective, environmentally sound and legally compliant manner is expected to be a growth opportunity for the SRS business. Each of the 15 original members of the European Union has formally adopted the WEEE Directive.

We have made a number of European e-recycling acquisitions, including Mirec, Metall + Recycling, or M&R, RecommIT, LCS and Wincanton. The acquisition of Mirec provided us with operations in the UK, Netherlands, Belgium and Sweden, with alliances in Denmark, Ireland, Germany, France, Switzerland and Italy. The acquisition of M&R, located in Germany, has provided us with unique technical capabilities for the recycling of electronic and electrical equipment and non-ferrous metals processing as well as a broadened operational base in Europe. The acquisition of LCS in the UK further strengthened our information technology asset management capability and positioning as one of Europe's leading operators in the high value B2B market. The recent acquisition of Wincanton enhanced our geographical footprint within the UK market, allowing us to provide a more localized service to our growing client base. The retailer led capability and logistics expertise of Wincanton's recycling division, together with its infrastructure, ideally complements our business model and processing expertise. Furthermore, the addition of a collaborative arrangement in reverse logistics with Wincanton PLC will allow us to offer an unparalleled level of recycling excellence and service convenience to our UK customer base. These acquisitions are also expected to provide us with a platform to further enhance our business as legislation continues to take effect across Europe.

Australasia

We are committed to providing an effective and efficient e-recycling program and have operations in Australasia to address the growing social and environmental problem that end-of-life computers and other information technology equipment represents. As part of this program, we established Australia's first national e-recycling network, in joint venture with a leading global environmental services company. In November 2008, we commissioned Australia's first e-recycling mechanical plant in Sydney.

We made an initial investment in the rapidly developing Indian e-recycling market, through the acquisition of Trishyiraya, based in Chennai.

We have also invested in growing our operations on the continent of Africa through the start-up of an e-recycling center near Durban, South Africa. It is ideally situated to provide e-waste recovery, recycling and IT asset management services to businesses and organizations in South Africa and sub-Saharan Africa.

Secondary Processing

We operate a number of small manufacturing businesses in Australia, including secondary aluminum and plastics operations which produce for resale specification aluminum alloy products and pellets, respectively. We also operate a plastics and aluminum trading business and have a 50% interest in Australian Refined Alloys, Australia's largest secondary lead smelter, in a joint venture with Nyrstar.

We have a 50% interest in LMS Generation Pty Limited, a specialist landfill gas and renewable energy company, which researches, installs and develops landfill gas extraction systems, renewable energy and power generation technologies.

Sources and Availability of Raw Materials

Metal Recycling

We purchase metals for our Metal Recycling business from two primary sources:

- obsolete metal which is sourced from metal dealers, peddlers, auto wreckers, demolition firms, railroads and others who generate steel or non-ferrous metals; and
- industrial generated materials which are sourced mainly from manufacturers who generate offcuts or by-products made from steel, iron or non-ferrous metals, known as prompt or industrial metal.

Suppliers are generally not bound by long-term contracts and have no obligation to sell metals to us. Among other things, the supply of these raw materials can be dependent on prevailing market conditions, including the buy and sell prices of ferrous and non-ferrous recycled metals. In periods of low prices, suppliers may elect to hold metal to wait for higher prices or intentionally slow their metal collection activities. In addition, a global slowdown of industrial production, similar to what has occurred during our last two fiscal years, reduces the supply of industrial grades of metal to the metal recycling industry, potentially reducing the amount of metals available for us to recycle.

Sims Recycling Solutions

We source raw materials for our SRS business from a number of sources, including:

- manufacturers of post-consumer electronic products who must comply with specific end of life disposal requirements under legislation such as the WEEE Directive; and

- the business community for remarketable, reusable or recyclable electronic and electrical products.

The availability of these raw materials may depend on the continuation of existing disposal legislation and our ability to extend existing contracts or enter new contracts for the collection of post-consumer recyclable materials.

Government Regulation

In each of the jurisdictions in which we operate, we are subject to a variety of laws and regulations relating to trade, competition, taxes, employees and employee benefits, worker health and safety, land use, the environment, international trade and other matters. Certain of these laws and regulations, in particular those relating to worker health and safety and the environment, have a material impact on our ongoing business operations. Changes in these laws or regulations or their interpretations or enforcement may require us to make expenditures or change our business practices. For example, changes in environmental laws and regulations have in the past, and may in the future, require us to spend substantial amounts to comply with restrictions on air emissions, wastewater discharge, waste management and landfill sites, including remediation costs. There is a general trend toward increased government regulation, including environmental regulation, in many of the jurisdictions in which we operate.

Environmental Law and Regulations

Our business is currently subject to comprehensive environmental regulation in each of the jurisdictions in which we and our subsidiaries operate. A substantial majority of our operations are conducted in the US, Europe and Australia. The environmental laws and regulations in these jurisdictions governing the handling and disposal of waste, the discharge of materials and storm water into the environment, the remediation of impacts to soil and groundwater and similar matters have in most cases been in place for many years. Accordingly, while incremental changes in these environmental laws and regulations and their enforcement occur from time to time, we do not foresee substantial future changes in the existing environmental regulatory environment that would have a material impact on our capital expenditures, earnings or competitive position. In addition, because of the global nature of our business, we believe that changes in existing environmental laws and regulations in a particular country, even if viewed in isolation as being significant, are unlikely to have a material impact on our operations taken as a whole.

The nature of our business and previous operations by others at facilities currently or formerly owned or operated or otherwise used by Sims exposes us to risks of claims under environmental laws and regulations and for the remediation of soil or groundwater impacts. Management does not believe that pending or potential claims and remediation matters, if adversely determined, would have a material adverse effect on our financial condition.

Obligated External Reporting

We are not required to report under the European carbon trading scheme, or under the USEPA or state-specific carbon reporting schemes in the US.

We report under the Australian *Energy Efficiencies and Opportunities Act 2006* and the National Greenhouse and Energy Reporting Framework on matters relating to our Australian operations. Reports are prepared, with the assistance of qualified external specialists, and submitted annually. Not only do they identify energy initiatives covering 80% of the total energy profile, but the reports also discuss progress made against initiatives. The reports are available on our website at www.simsmm.com. Our

aluminum operation in Victoria, Australia also reports under that state's Environment and Resource Efficiency Plan and WaterMap, a state initiative to identify and act on water efficiency.

Our UK operations are captured under the CRC Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment). This scheme, which came into effect in April 2010, is a mandatory energy and climate change scheme administrated by the UK Environment Agency. We have registered with the scheme, and the systems we have developed for data collection and verification over several years, combined with the work undertaken by the energy teams, exceed the requirements of the legislation. Furthermore, we have become the first metals and electronics recycling company in the UK to be awarded the Carbon Trust Standard, providing official recognition of our systems and the many energy initiatives undertaken to date.

Voluntary External Reporting

We participated for the fifth consecutive year in the Carbon Disclosure Project, or CDP. The CDP is an independent not-for-profit organization which provides the largest database of corporate climate change information in the world. Since being formed in 2000, the CDP has become the global standard for carbon disclosure methodology and process, providing primary climate change data to the marketplace, institutional investors, purchasing organizations, analysts and government bodies. Once the CDP completes its assessment, the annual submission will be available for viewing on our website.

We also completed our third submission to the Dow Jones Sustainability Index. While we were pleased with the results, we were not designated a ranking as this global index is weighted towards the dominant presence of very large companies.

We were named, for the second year in a row, as one of the 100 Most Sustainable Corporations in the world, at the Davos World Economic Forum. We were honored to again receive this award, which recognizes companies that consistently demonstrate superior positioning and performance in environmental, social and governance issues relative to their industry peers. We also received the Special Award for Environment at the ninth Australian Sustainability Awards in recognition of "best-of-sector" low carbon intensity and for developing our own strategy and systems in a framework of energy efficiency, green energy and carbon offsets.

Health and Safety

Our operations are subject to a broad range of laws and regulations relating to the protection of human health and safety. Safety is our number one priority. It is a non-negotiable condition of employment and we are committed to a "zero-harm" workplace, where every employee, contractor or visitor will return home in the same condition as he or she arrived. These objectives are clearly articulated in our Safety and Health Policy, available on our website at www.simsmm.com and supported by our Safety, Health, Environment & Community, or SHEC, "Golden Rules" — 10 key rules which all employees are required to observe.

Over the course of the past year, we implemented new and improved safety procedures. We reduced our Lost Time Injury frequency rate from 4.8 to 3.2 and Medical Treated Incident frequency rate from 19.4 to 14.2 year-on-year. We are continuing our unrelenting effort to support a safety culture that will stand shoulder to shoulder with the safest manufacturing companies in the world.

Seasonality and Cyclicality

While our business is not subject to seasonal fluctuations, the metals recycling industry is highly cyclical worldwide. Consequently, we are exposed to substantial swings in the demand for our products, which in turn causes volatility in the prices of most of our products.

Our North American operations can be affected by protracted periods of inclement weather, reduced levels of industrial production, or interruptions in transportation services from vessel carriers, railroads or barge lines, which may reduce the volume of material available to and processed and loaded at our facilities.

In addition, periodic maintenance shutdowns or labor disruptions at our larger customers may have an impact on our operations.

Patents and Trademarks

Management believes that our operations are not dependent to any significant degree upon any single patent or license, or series of related patents or licenses, or any single commercial or financial contract. Management also believes that our operations are not dependent upon any single trademark or trade name, although trademarks and trade names are identified with a number of our products and services and are of importance in the sale and marketing of such products and services.

C. Organizational Structure

We are organized under the laws of Australia. Globally, we have 93 wholly-owned subsidiaries as well as interests in several joint ventures. For a list of our wholly-owned and indirectly owned subsidiaries, see Exhibit 8.1 filed hereto.

D. Property, Plant and Equipment

Our principal executive offices are located in New York, New York. We also have regional executive offices in Chicago, Illinois; Botany, Australia, Hong Kong and Stratford upon Avon, UK. We lease each of our executive office facilities.

As of June 30, 2010, we and our joint ventures had over 240 operating facilities and are represented in 15 countries throughout the world, with a large proportion in North America, Australia and the UK. We own many of these properties and continue to improve and replace properties when considered appropriate to meet the needs of our individual operations. There are no individually significant properties that were under-utilized during fiscal 2010. These properties range in size from approximately 6,100 square feet to 3,172,500 square feet.

The following is a list of the location and use of our significant properties. This list is not intended to be a complete list of all of our operating facilities.

AUSTRALASIAN SITES

Location	Leased or Owned	Principal Activities
Canberra, Australian Capital Territory, Australia	Leased	metal recycling yard
Alexandria, New South Wales, Australia	Owned (50% interest)	ARA secondary lead smelting operation
Milperra, New South Wales, Australia	Owned	metal recycling yard
St. Marys, New South Wales, Australia	Owned	metal recycling yard/shredder
Villawood, New South Wales, Australia	Leased	e-recycling facility
Wetherill Park, New South Wales, Australia	Owned	metal recycling yard
Darwin, Northern Territory, Australia	Owned	metal recycling yard
Gladstone, Queensland, Australia	Owned	metal recycling yard
Northgate, Queensland, Australia	Owned	metal recycling yard
Rocklea, Queensland, Australia	Owned	metal recycling yard/shredder
Townsville, Queensland, Australia	Leased	metal recycling yard
Gillman, South Australia, Australia	Owned	metal recycling yard/shredder
Bell Bay, Tasmania, Australia	Leased	metal recycling yard
Broadmeadows, Victoria, Australia	Owned	metal recycling yard
Brooklyn, Victoria, Australia	Owned	metal recycling yard/shredder
Laverton North, Victoria, Australia	Owned	Secondary aluminium/melting & processing operation
Laverton North, Victoria, Australia	Owned (50% interest)	ARA secondary lead smelting operation
Noble Park, Victoria, Australia	Owned	metal recycling yard
Karratha, Western Australia, Australia	Owned	metal recycling yard/feeder yard
Spearwood, Western Australia, Australia	Owned	metal recycling yard/shredder/e-recycling
Christchurch, New Zealand	Owned (50% interest)	metal recycling yard/shredder
Wellington, New Zealand	Owned (50% interest)	metal recycling yard
Auckland, New Zealand	Owned (50% interest)	metal recycling yard/shredder

EUROPEAN SITES

Location	Leased or Owned	Principal Activities
Europark Nord, Sint Niklaas, Belgium	Leased	e-recycling facility
Rathenaustrasse, Bergkamen, Germany	Owned	e-recycling facility
Dillenburgstraat, Eindhoven, Netherlands	Owned	e-recycling facility
Sint Janskamp, Echt, Netherlands	Leased	e-recycling facility
Karosserigatan, Katrineholm, Sweden	Leased	e-recycling facility
Avonmouth, Bristol, UK	Leased	metal recycling yard/dock/shredder
Dunkirk, Nottingham, UK	Owned	metal recycling yard/shredder
Longside Industrial Estate, Dumfries, UK	Owned	e-recycling facility

Location	Leased or Owned	Principal Activities
Long Marston, Stratford upon Avon, UK	Leased	UK head office, metal recycling yard/dense media plant/ R & D center
South Dock, Newport, UK	Leased	metal recycling yard/dock/shredder/fridges processing and e-recycling facility
Wimborne, Dorset, UK	Owned	metal recycling yard/shredder
Yateley, Hants, UK	Owned	metal recycling yard/shredder

NORTH AMERICAN SITES

Location	Leased or Owned	Principal Activities
Richmond, British Columbia, Canada	Leased (50% owned joint venture)	metal recycling yard/shredder
Brampton, Ontario, Canada	Leased	e-recycling facility
Birmingham, Alabama, USA	Owned	metal recycling yard/shredder
Phoenix, Arizona, USA	Owned	metal recycling yard/shredder
Tucson, Arizona, USA	Owned	metal recycling yard/shredder
Richmond, California, USA	Owned	metal recycling yard
Anaheim, California, USA	Owned (50% owned joint venture)	metal recycling yard/shredder
Bakersfield, California, USA	Owned (50% owned joint venture)	metal recycling yard/shredder
Fontana, California, USA	Owned (50% owned joint venture)	metal recycling yard
Hayward, California USA	Leased	e-recycling facility
Long Beach, California, USA	Leased (50% owned joint venture)	metal recycling yard
Redwood City, California, USA	Leased	metal recycling yard/shredder
Roseville, California, USA	Leased	e-recycling facility
Sacramento, California, USA	Leased	metal recycling yard
Sun Valley, California, USA	Leased (50% owned joint venture)	metal recycling yard
Terminal Island, California, USA	Leased (50% owned joint venture)	metal recycling yard/ shredder
Denver, Colorado, USA	Owned	metal recycling yard/shredder
Hartford, Connecticut, USA	Leased	metal recycling yard
North Haven, Connecticut, USA	Owned	metal recycling yard/shredder
Bedford Park, Illinois, USA	Owned	metal recycling yard
Chicago, Illinois, USA	Owned	metal recycling yard/shredder
Franklin Park, Illinois, USA	Owned	precious metal refining
West Chicago, Illinois, USA	Leased	e-recycling facility
East Chicago, Indiana, USA	Owned	metal recycling yard

Location	Leased or Owned	Principal Activities
Detroit, Michigan, USA	Owned	metal recycling yard
Greenville, Mississippi, USA	Leased	metal recycling yard/shredder
Sherman, Mississippi, USA	Owned	metal recycling yard
Port of Albany, New York, USA	Leased	metal recycling yard
Las Vegas, Nevada, USA	Owned (50% owned joint venture)	metal recycling yard/shredder
Claremont Pier, Jersey City, New Jersey, USA	Owned	metal recycling yard/shredder
Newark, New Jersey, USA	Owned	metal recycling yard/shredder
Port of Newark, New Jersey, USA	Leased	stevedoring
Defiance, Ohio, USA	Owned	metal recycling yard
Elizabeth, Pennsylvania, USA	Owned	metal recycling yard
Memphis, Tennessee, USA	Owned	metal recycling yard/shredder
Nashville, Tennessee, USA	Owned (50% owned joint venture)	metal recycling yard/shredder
Houston, Texas, USA	Owned	metal recycling yard
Salt Lake City, Utah, USA	Owned	metal recycling yard/shredder
Chesapeake, Virginia, USA	Owned	metal recycling yard/shredder
Richmond, Virginia, USA	Owned	metal recycling yard/shredder
Petersburg, Virginia, USA	Leased	metal recycling yard/shredder

We believe that our facilities are suitable for their present use and are generally in good operating condition. We carry insurance covering property and casualty and certain other risks to which our facilities and operations may be subject. We do not believe that our earnings are materially dependent upon any single operating facility.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

This section begins with an overview of the principal factors and trends affecting our results of operations. The overview is followed by a discussion of our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments reflected in our reported financial results. We then present an analysis of our results of operations for the last three fiscal years. Our primary segment reporting is based on the following geographical divisions: Australasia, North America and Europe.

The following discussion should be read in conjunction with our consolidated financial statements included in Item 18 of this annual report and “Item 3.D. — Risk Factors.” Our consolidated financial statements and the financial information discussed below have been prepared in accordance with IFRS.

On March 14, 2008, we merged with Metal Management. Operating results for Metal Management are only included in our operating results in fiscal 2008 for 3.5 months. Accordingly, the results for fiscal 2008 are not directly comparable to the results for either fiscal 2009 or fiscal 2010.

Principal Factors Affecting our Results of Operations

We believe we have a competitive advantage in the scrap metal recycling industry based on the size and scope of our business, our product line diversification and other strengths including favorable port locations. Additionally, we operate a geographically diverse business with a network of processing facilities throughout the world. We have centralized the marketing of our scrap through marketing offices in New York City (ferrous scrap) and Hong Kong (non-ferrous scrap).

Our revenues are predominantly derived from the sale of processed scrap metal. Prices for scrap metals vary by product type (ferrous or non-ferrous) and fluctuate on a monthly basis. Our selling prices for scrap metal are impacted by worldwide and local demand, country-specific economic conditions and commodity spot prices for non-ferrous metals.

Like other competitors within the metal recycling business, we rely on generating a margin between the sale price to the end customer over the price paid to the suppliers of unprocessed metals. A key global driver for us is ferrous scrap prices for benchmark grades such as heavy melting steel, shredded steel and various prime grades which are highly correlated to steel prices. During an increasing price environment our margins generally increase as the difference in timing between buying unprocessed scrap and selling processed product typically results in higher margins. Conversely, decreasing scrap prices generally have the opposite effect on margins and profitability. Additionally, during times of lower scrap prices, suppliers of obsolete scrap sometimes elect to hold onto scrap to wait for higher prices, which exacerbates the cyclicality in margins.

Over the last several years, freight costs, and in particular ocean freight costs, have impacted our results of operations. The volatility in ocean freight rates is impacted by demand for bulk cargo ships from producers of iron ore, steel, coal and other commodities. We also faced competition from smaller scrap metal recyclers who began to use ocean containers to export ferrous scrap metal. The costs for ocean containers have been significantly less on a per-ton basis than bulk cargoes over the last three years. In order to address the disparity in freight rates, we also ship ferrous scrap in ocean containers from certain facilities which deprive our port operations of raw material and margin. Freight costs for rail and trucks have also been volatile and are impacted by demand and energy costs.

Because a substantial portion of our assets, liabilities, sales and earnings are denominated in currencies other than the Australian dollar (our reporting currency), we are exposed to fluctuations in the values of these currencies relative to the Australian dollar. These currency fluctuations, especially the fluctuation of the value of the US dollar relative to the Australian dollar, can impact our results of operations. From time to time, we use derivative financial instruments such as foreign exchange contracts and commodity hedges to hedge certain risk exposures for specific transactions.

Critical Accounting Policies

Management's discussion and analysis of our operational results and financial condition is based on our consolidated financial statements, which have been prepared in accordance with IFRS. Our critical accounting policies affecting our results of operations and financial condition are more fully described in Notes 1 and 3 of the consolidated financial statements included in Item 18 of this annual report.

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Recently issued accounting pronouncements

Recently-issued accounting pronouncements that are relevant to our operations but have not yet been adopted are more fully described in Note 1 of the consolidated financial statements included in Item 18 of this annual report.

Results of Operations

The following table sets forth selective line items and the percentage of net sales that they represent for the periods indicated.

	Fiscal years ended June 30,					
(in millions, except %)	2010 A$	% of Revenue	2009 A$	% of Revenue	2008 A$	% of Revenue
Revenue	7,458.5	100	8,641.0	100	7,670.5	100
Cost of materials	(6,060.3)	(81)	(7,191.9)	(84)	(6,103.3)	(80)
Depreciation and amortization	(143.9)	(2)	(170.8)	(2)	(95.1)	(1)
Finance costs	(16.4)	(0)	(21.5)	(0)	(34.4)	(0)
Income from equity accounted investments	14.5	0	60.8	1	64.6	1
Goodwill impairment charge	—	—	(191.1)	(2)	(3.3)	(0)
Other, net	(1,057.9)	(14)	(1,248.7)	(15)	(838.4)	(11)
Profit/(loss) before tax	194.5	3	(122.2)	(2)	660.6	9
Income tax expense	(67.8)	(1)	(28.1)	(0)	(220.5)	(3)
Profit/(loss) after tax	126.7	2	(150.3)	(2)	440.1	6

Fiscal 2010 compared with fiscal 2009

In fiscal 2010, as major Western economies attempted, with varying degrees of success, to transition from recession to modest growth trajectories, our industry continued to encounter diminished flows of scrap metal and uneven demand from steel and metal producers. In spite of these difficult market conditions, we saw improvement in many of our markets in fiscal 2010.

Our non-ferrous metals business achieved healthy margins and strong year-on-year growth. However, ferrous margins and scrap flows outside Australia continued to be disappointing, particularly in North America, our largest market, where the US economy continued (and continues) to struggle.

Our fiscal 2010 results of operations were also impacted by the stronger Australian dollar which increased against our major currencies, primarily the US dollar, British pound and Euro.

In fiscal 2010, revenue decreased by A$1,182.5 million, or 14%, to A$7,458.5 million from A$8,641.0 million in fiscal 2009. The majority of the decrease was due to the appreciation of the Australian dollar against our other major currencies. Absent the impact of foreign exchange, our revenue would have been largely unchanged from fiscal 2009. Lower shipments of 12.9 million tons in fiscal 2010 compared to 13.2 million tons in fiscal 2009 also contributed to the decrease. See detailed discussion below on revenue by segment and product group for further details.

In fiscal 2010, cost of materials and freight decreased by A$1,131.6 million, or 16%, to A$6,060.3 million from A$7,191.9 million in fiscal 2009. A majority of the decrease was due to the appreciation of the Australian dollar against our other major currencies. Additionally, lower sales volumes also contributed to the decrease. Cost of materials in fiscal 2009 includes inventory write-downs of A$119.4 million compared to $18.5 million in fiscal 2010.

In fiscal 2010, depreciation and amortization expense decreased by A$26.9 million, or 16%, to A$143.9 million from A$170.8 million in fiscal 2009. The majority of the decrease in both depreciation and amortization was due to the appreciation of the Australian dollar against our other major currencies. The balance of the decrease was due to lower amortization expense. The majority of our intangible assets were recognized from the Metal Management acquisition in March 2008. These intangibles are being amortized using the diminishing balance method which resulted in lower amortization expense in fiscal 2010 compared to fiscal 2009.

In fiscal 2010, finance costs decreased by A$5.1 million, or 24%, to A$16.4 million from A$21.5 million in fiscal 2009. The decrease was due to the appreciation of the Australian dollar against our other major currencies and lower average borrowings. Our average borrowings were lower due to our equity issuance in November 2009. See “Item 5.B. — Liquidity and Capital Resources” for further information related to our borrowings.

Income from equity accounted investments was A$14.5 million in fiscal 2010 compared to A$60.8 million in fiscal 2009. Our most significant equity accounted investment is SA Recycling. Income from SA Recycling was A$12.8 million in fiscal 2010 compared to A$51.8 million in fiscal 2009. Similar to our US operations, SA Recycling’s income was impacted by diminished scrap flows and the weak economic conditions in the US.

In fiscal 2009, SA Recycling was deemed significant to us as defined by Rule 1-02(w) of Regulation S-X of the Exchange Act. As a result, we have included audited financial statements of SA Recycling for the year ended June 30, 2010 in Item 18 of this annual report. The audited consolidated financial statements of SA Recycling are prepared in accordance with US Generally Accepted Accounting Principles and in US dollars. We report our share of SA Recycling’s income by making adjustments for accounting policies that differ from our policies under IFRS. We translate SA Recycling’s financial statements from US dollars to Australian dollars using average exchange rates for the period for profit and loss items, and closing rates for balance sheet items.

In fiscal 2010, no goodwill impairment charges were recorded. In fiscal 2009, we recorded a goodwill impairment charge of A$191.1 million related to four CGUs within the North America segment and one CGU in the Australasia segment. Refer to Note 13 in our consolidated financial statements included in Item 18 of this annual report for further information related to goodwill impairment testing.

Other, net is primarily comprised of employee benefits, selling and administrative costs, yard costs and repairs and maintenance expense. In fiscal 2010, other, net decreased by A$190.8 million, or 15%, to A$1,057.9 million from A$1,248.7 million in fiscal 2009. A portion of the decrease was due to the appreciation of the Australian dollar against our other major currencies. Employee benefits expense

also decreased as a result of lower bonus expense. Repairs and maintenance expense decreased as a result of lower processed volumes, and the idling of equipment and yard closures in North America.

Income tax expense was A$67.8 million in fiscal 2010 resulting in an effective tax rate of 35% compared to A$28.1 million in fiscal 2009 and a corresponding effective tax rate of (23%). Our fiscal 2009 effective rate was impacted from the non-deductibility of the A$191.1 million goodwill impairment charge.

Profit after tax was A$126.7 million in fiscal 2010 compared to loss after tax of A$(150.3) million in fiscal 2009. Although profit after tax increased in fiscal 2010, fiscal 2009 was impacted by goodwill impairment charges of A$191.1 million and inventory write-downs of A$119.4 million.

Fiscal 2009 compared with fiscal 2008

Comparability and restatement

In fiscal 2009, we revised our accounting policy for the valuation of land, buildings and leasehold improvements from the revaluation method to the historical cost method in accordance with IAS 16, *Property, Plant and Equipment* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The policy change results in the financial statements providing more reliable and additional relevant information about the effects of transactions, other events and conditions on our financial position and financial performance. This will allow for enhanced comparability with our peers and also provide a consistent valuation methodology among all fixed asset classes for the benefit of investors and for internal financial reporting purposes. The change was also intended to reduce administrative costs in the form of professional fees incurred to accomplish the revaluations. This change in accounting policy was applied retrospectively.

Fiscal 2009 was a tumultuous year for us, as the extraordinary economic crisis later to be known as the global financial crisis impacted nearly every company engaged in the global trading of bulk commodities. Our industry was directly affected by markedly lower commodity prices, diminished flows of scrap metals and decreased finished steel and metal production. The challenges we faced due to the global financial crisis and recession during fiscal 2009 — which is commonly assessed as the worst on record since the 1930's — included the near halt of the credit markets, the failure or inability of certain ferrous and non-ferrous consumers to honor contractual commitments, the severe constriction of scrap flows around the world and substantially reduced demand for recycled raw materials.

During fiscal 2009, we took decisive action to reduce spending and headcount to mitigate the global recession's impact on us, which we believe will position us as an even leaner and stronger company. Our fiscal 2009 results reflect the impact of numerous special charges which are set forth in the table below.

(in millions)	2009 A$
Goodwill impairment charge	191.1
Write-down of inventory to net realizable value	119.4
First time Sarbanes-Oxley related professional fees[1, 8]	9.7
Withdrawal liability related to a multi-employer pension plan[2, 8]	3.4
Impairment provisions for trade receivables[3, 8]	23.7
Professional fees and other costs incurred in connection with Fairless Iron & Metal acquisition[4, 8]	2.5
Redundancies[8]	5.5
Loss on sale of subsidiaries[5, 8]	2.6
Impairment of property, plant and equipment and yard closure costs[6, 8]	13.7
Merger costs[7, 8]	4.0

1 In fiscal 2009, we were required to implement and comply with Section 404 of the Sarbanes-Oxley Act of 2002 (US). Professional fees incurred in the first year of Sarbanes-Oxley implementation are much higher and thus listed above.

2 Represents a termination liability associated with the withdrawal from a multi-employer pension plan in the US.

3 Represents provisions recorded for trade debtors for which we believe collectability is in doubt.

4 In fiscal 2009, we incurred transaction costs associated with the acquisition of Fairless Iron & Metal which was completed in 2010 (July 3, 2009). We applied the transitional principles consistent with the revised IFRS 3 *Business Combinations* whereby transaction costs are expensed for all acquisitions prospectively from July 1, 2009.

5 Represents the loss on sale of Tyrecycle.

6 Represents the impact of the global financial crisis which resulted in impairment charges for asset rationalization, asset retirement and idling of certain yards.

7 Merger costs include integration bonuses, retention incentives and other costs associated with the post-merger rationalization of the Sims Metal Management Limited and Metal Management businesses.

8 These amounts are reflected in other, net.

Despite enduring recessionary economic conditions, our revenue in fiscal 2009 increased 13% to A$8,641.0 million, even though year-over-year average selling prices declined. However, this increase was primarily due to the March 2008 merger with Metal Management. See detailed discussion below on revenue by segment and product group.

Cost of materials and freight was A$7,191.9 million in fiscal 2009 compared to A$6,103.3 million in fiscal 2008. The increase was primarily due to higher material costs related to higher sales as a result of the merger with Metal Management. Cost of materials also includes the write-down of inventories to net realizable value of approximately A$119.4 million in fiscal 2009.

Depreciation and amortization expense was A$170.8 million in fiscal 2009 compared with A$95.1 million in fiscal 2008. The increase primarily reflects the depreciation and amortization related to Metal Management, which is included for twelve months in fiscal 2009 compared to 3.5 months in fiscal 2008. Depreciation expense also increased due to higher levels of capital expenditures, which were A$187.5 million in fiscal 2009 compared to A$129.7 million in fiscal 2008.

Finance costs were A$21.5 million in fiscal 2009 compared to A$34.4 million in fiscal 2008. The decrease was primarily due to lower borrowings as a result of cash flows generated from operations.

Income from equity accounted investments was A$60.8 million in fiscal 2009 compared to A$64.6 million in fiscal 2008. Our most significant equity accounted investment, SA Recycling was formed in September 2007 and is only included in our fiscal 2008 results for 10 months. Income from SA Recycling was A$51.8 million in fiscal 2009 compared to A$47.4 million in fiscal 2008.

In fiscal 2009, we recorded a goodwill impairment charge of A$191.1 million related to four

CGUs within the North America segment and one CGU in the Australasia segment.

Other, net increased predominantly from a full year inclusion of Metal Management in fiscal 2009 versus 3.5 months in fiscal 2008 and the special charges recorded in fiscal 2009 which are noted above.

Income tax expense was A$28.1 million in fiscal 2009 resulting in an effective tax rate of (23%) compared to A$220.5 million in fiscal 2008 and a corresponding effective tax rate of 33%. Although we incurred a loss before income tax of $122.2 million, an income tax provision was recognized due to the non-deductibility of the A$191.1 million goodwill impairment charge. Excluding the impact of the non-deductible goodwill, our effective tax rate was 40.8% which reflects the change in the geographical mix of our sources of income.

Loss after tax was A$150.3 million in fiscal 2009 compared to profit after tax of A$440.1 million in fiscal 2008. The loss in fiscal 2009 was primarily due to the non-cash goodwill impairment charge and write-downs of inventories to net realizable value.

Results by segments

The following table sets forth our revenue and earnings before interest and income taxes, or EBIT, by segment. In discussing the results of operations for our segments, we focus on EBIT which is a non-GAAP (IFRS or US) financial measure. EBIT is the key measure that management uses internally to assess the performance of our business, make decisions on the allocation of resources and assess operational management. EBIT is not a measure that is recognized under IFRS and it may differ from similarly titled measures reported by other companies. Therefore, in the table below, we provide a reconciliation of EBIT to profit/(loss) before income tax.

	Fiscal years ended June 30,					
(in millions, except %)	2010 A$	%	2009 A$	%	2008 A$	%
Sales by geography:						
Australasia	1,221.3	16	1,158.6	13	1,745.1	23
North America	5,040.0	68	6,368.5	74	4,607.9	60
Europe	1,191.3	16	1,109.1	13	1,312.5	17
Total sales	7,452.6	100	8,636.2	100	7,665.5	100
Other revenue	5.9	0	4.8	0	5.0	0
Total revenue	7,458.5	100	8,641.0	100	7,670.5	100
Sales by product:						
Ferrous metals	5,071.2	68	6,642.7	77	5,421.1	71
Non-ferrous metals	1,525.5	20	1,193.4	14	1,324.1	17
Recycling solutions	657.4	9	578.5	7	559.2	7
Secondary processing	198.5	3	221.6	2	361.1	5
Net sales	7,452.6	100	8,636.2	100	7,665.5	100

(in millions, except %)	Fiscal years ended June 30, 2010 A$	%	2009 A$	%	2008 A$	%
EBIT by geography:						
Australasia	61.2	29	18.7	(18)	182.4	26
North America	80.3	39	(88.6)	86	415.7	60
Europe	66.6	32	(33.1)	32	94.0	14
Total EBIT	208.1	100	(103.0)	100	692.1	100
Reconciliation:						
Total EBIT	208.1		(103.0)		692.1	
Interest income	2.8		2.3		2.9	
Finance costs	(16.4)		(21.5)		(34.4)	
Profit/(loss) before tax	194.5		(122.2)		660.6	

Fiscal 2010 compared with fiscal 2009

Australasia

Sales in fiscal 2010 increased by A$62.7 million, or 5%, to A$1,221.3 million from A$1,158.6 million in fiscal 2009. EBIT in fiscal 2010 increased by A$42.5 million, or 227%, to A$61.2 million from A$18.7 million in fiscal 2009.

Our Australasian business performed well in fiscal 2010 due to its leadership position in that market and against the backdrop of a healthy Australian economy in close proximity to rapidly growing Asian markets. During fiscal 2010, we made significant investments in our processing capabilities and, in fiscal 2011 we expect to continue investing in this critical region, including improving the non-ferrous recovery technology downstream of our shredders, among other projects.

Higher sales and EBIT were also a result of higher scrap intake in the region which increased by 14% in fiscal 2010 to 1.7 million tons, from fiscal 2009.

North America

Our North American metals business continued to face difficult conditions in fiscal 2010 as a result of inadequate scrap flows and tight ferrous margins associated with the weak and uneven US economic recovery. Sales in fiscal 2010 decreased by A$1,328.5 million, or 21%, to A$5,040.0 million from A$6,368.5 million in fiscal 2009. On a US dollar equivalent basis, sales in fiscal 2010 was down 7% to US$4,445.7 million as compared to fiscal 2009. Shipments in North America decreased 3% on the prior corresponding period.

EBIT in fiscal 2010 was A$80.3 million compared to a loss of A$88.6 million in fiscal 2009. EBIT in fiscal 2010 was negatively impacted by inventory adjustments of A$18 million, while EBIT in fiscal 2009 was impacted by inventory adjustments of A$71 million and goodwill impairment charges of A$190 million. Excluding these adjustments, EBIT in fiscal 2010 would have been A$98.3 million compared to A$172.4 million in fiscal 2009. EBIT in North America was also impacted by the appreciation of the Australian dollar against the US dollar.

Europe

Sales in fiscal 2010 increased by A$82.2 million, or 7%, to A$1,191.3 million from A$1,109.1 million in fiscal 2009. EBIT in fiscal 2010 was A$66.6 million compared to a loss of A$33.1 million in fiscal 2009.

The increase in sales and EBIT was due to higher shipments and stronger performance from our European SRS businesses. EBIT in fiscal 2009 was impacted by inventory write-downs of A$38.9 million. The appreciation of the Australian dollar in fiscal 2010 against the British pound and Euro negatively impacted EBIT by A$12.4 million.

Sales by Product Group

Ferrous sales were A$5,071.2 million in fiscal 2010 compared to A$6,642.7 million in fiscal 2009, representing a decrease of A$1,571.5 million, or 24%. The decrease in ferrous sales was due to weak demand for ferrous scrap metal as well as the appreciation of the Australian dollar against our other major currencies. In fiscal 2010, ferrous sales volumes (including brokerage) decreased by approximately 300,000 tons, to 12.3 million tons compared to 12.6 million tons in fiscal 2009.

Non-ferrous sales were A$1,525.5 million in fiscal 2010 compared to A$1,193.4 million in fiscal 2009, representing an increase of A$332.1 million, or 28%. The increase was due to higher non-ferrous sales volumes (including brokerage), offset by the negative impact of the appreciation of the Australian dollar against our other major currencies. In fiscal 2010, non-ferrous sales volumes increased by approximately 101,000 tons, or 22%, to 565,000 tons compared to 464,000 tons in fiscal 2009.

Recycling solutions sales were A$657.4 million in fiscal 2010 compared to A$578.5 million in fiscal 2009, which represented an increase of A$78.9 million, or 14%. The increase was mainly a result of improved prices and the impact of recent acquisitions in Europe and North America, offset by the negative impact of the appreciation of the Australian dollar against our other major currencies.

Secondary processing sales were A$198.5 million in fiscal 2010 compared to A$221.6 million in fiscal 2009, which represented a decrease of A$23.1 million, or 10%.

Fiscal 2009 compared with fiscal 2008

Australasia

Sales in fiscal 2009 decreased by A$586.5 million, or 34%, to A$1,158.6 million from A$1,745.1 million in fiscal 2008. EBIT in fiscal 2009 decreased by A$163.7 million, or 90%, to A$18.7 million from A$182.4 million in fiscal 2008.

The decrease in sales was due to a 27% reduction in scrap tonnage processed and overall lower commodity prices. EBIT in Australasia was impacted by A$9 million of inventory adjustments, A$9 million of non-ferrous contract renegotiations and A$12 million of other abnormal items (including $1 million of goodwill impairment).

North America

The global economic recession was particularly severe in North America, where approximately 55% of all new steel production was idled as of the end of June 2009. Sales in fiscal 2009 increased by A$1,760.6 million, or 38%, to A$6,368.5 million from A$4,607.9 million in fiscal 2008. EBIT in fiscal 2009 was a loss of A$88.6 million compared to income of A$415.7 million in fiscal 2008.

The increase in sales was a result of a full year contribution from Metal Management compared to 3.5 months in fiscal 2008. However, scrap tonnage processed and brokered declined by 29% resulting in lower sales volumes and we also experienced lower commodity prices. Negative EBIT was caused by a A$190.2 million goodwill impairment charge. EBIT was also impacted by A$71 million of inventory adjustments, A$19 million of non-ferrous contract renegotiations and A$36 million of other abnormal items. EBIT in fiscal 2009 was positively impacted by income from SA Recycling of A$51.8 million.

Europe

Sales in fiscal 2009 decreased by A$203.4 million, or 15%, to A$1,109.1 million from A$1,312.5 million in fiscal 2008. EBIT in fiscal 2009 was a loss of A$33.1 million compared to income of A$94.0 million in fiscal 2008. The decrease in sales was due to a 20% reduction in scrap inflows and lower commodity prices. EBIT decreased as a result of A$39 million of inventory adjustments and A$8 million of non-ferrous contract renegotiations.

Sales by Product Group

Ferrous sales were A$6,642.7 million in fiscal 2009 compared to A$5,421.1 million in fiscal 2008, representing an increase of A$1,221.6 million, or 23%. The increase in ferrous sales was mainly due to a full year contribution from Metal Management versus 3.5 months in fiscal 2008. In fiscal 2009, ferrous sales volumes (including brokerage) increased by approximately 1.7 million tons, or 15%, to 12.6 million tons compared to 10.9 million tons in fiscal 2008. However, overall ferrous commodity prices were lower in fiscal 2009.

Non-ferrous sales were A$1,193.4 million in fiscal 2009 compared to A$1,324.1 million in fiscal 2008. Even though there was a full year contribution from Metal Management in fiscal 2009, non-ferrous sales decreased due to lower commodity prices and the impact of non-ferrous contract renegotiations. In fiscal 2009, non-ferrous sales volumes (including brokerage) increased by approximately 11,000 tons, or 2%, to 464,000 tons compared to approximately 453,000 tons in fiscal 2008.

Recycling solutions sales were A$578.5 million in fiscal 2009 compared to A$559.2 million in fiscal 2008. Recycling solutions sales were also impacted in fiscal 2009 by lower commodity prices but volumes held steady.

Secondary processing sales were A$221.6 million in fiscal 2009 compared to A$361.1 million in fiscal 2008, which represented a decrease of A$139.5 million, or 39%. The decrease in sales was primarily due to the sale of Sims Steel in fiscal 2008.

B. Liquidity and Capital Resources

Treasury responsibilities and philosophy

The primary responsibilities of our treasury function are to secure access to capital resources, maintain an efficient capital structure, and manage the company's liquidity, foreign exchange, interest rate and commodity price risk. Our overall financial risk management strategy seeks to mitigate these risks to reduce adverse volatility in these factors on our financial performance.

Financial risk management is carried out by a limited number of employees. We have written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

We use derivative financial instruments in certain circumstances in accordance with Board approved policies to hedge exposure to fluctuations in foreign exchange rates or commodity prices. Derivative financial instruments are used for hedging purposes and not as trading or other speculative instruments.

For further information regarding our financial and capital risk management, including our use of derivatives, refer to Note 2 of the consolidated financial statements included in Item 18 of this annual report.

Sources of liquidity

Our sources of liquidity include cash and cash equivalents, collections from customers and amounts available under our unsecured multi-currency/multi-option credit facilities, most of which are global in nature. In November 2009, we raised A$400.0 million via an institutional placement of our ordinary shares and in December 2009, we raised A$41.4 million from a share purchase plan. We received net proceeds of A$432.6 million after transaction costs. We believe these sources are adequate to fund operating expenses and related liabilities, planned capital expenditures and acquisitions, and the payment of cash dividends to shareholders for at least the next 12 months.

As of June 30, 2010, our cash and cash equivalents amounted to A$132.3 million compared to A$69.5 million as of June 30, 2009. As of June 30, 2010, total borrowings were A$117.2 million compared to A$175.1 million as of June 30, 2009. The majority of our borrowings are from our credit facilities. We had available borrowing capacity under our credit facilities of A$1,276.0 million as of June 30, 2010, compared to A$856.5 million as of June 30, 2009. As of the date of this annual report, our borrowing capacity under our credit facilities has increased to A$1.5 billion.

Our credit facilities are provided by Commonwealth Bank of Australia, or CBA, Westpac Banking Corporation, or WBC, HSBC Bank Australia Limited, or HSBC, National Australia Bank, or NAB, and Bank of America Corporation, N.A., or BOA. These credit facilities are unsecured and are guaranteed by certain of our subsidiaries. There are no restrictions as to how much can be borrowed under the credit facilities provided we are not in default and the borrowings do not exceed the commitment amount. Information about our credit facilities are as follows:

Lender	Maximum Commitment	Maturity Date
CBA	A$450.0 million	December 31, 2011
WBC	A$400.0 million	August 1, 2011
HSBC	A$300.0 million	19 month notice from the lender
BOA	US$200.0 million	14 month notice from the lender
NAB	A$150.0 million	March 13, 2012

With the exception of the BOA credit facility, all the other credit facilities provide for multi-currency borrowings. Borrowings under the CBA, WBC, HSBC and NAB credit facilities bear interest at either (i) LIBOR plus a margin (for currencies other than the Australian dollar) or (ii) the Reuters Bank Bill Swap Bid Rate plus a margin (for Australian dollar borrowings). Our BOA credit facility bears interest at either the US Federal Funds Rate plus a margin, the US Prime Rate or the Eurocurrency Floating Rate plus a margin. Our weighted average interest rate for fiscal 2010 was 2.1% compared to 3.6% for fiscal 2009.

These credit facilities generally contain customary representations, warranties and covenants. Customary negative covenants include certain restrictions on our ability and that of our subsidiaries to engage in certain corporate transactions without such lender's consent, including: (i) the creation of certain liens on our property; (ii) mergers, dissolution, liquidation or consolidation with or into another entity; (iii) certain dispositions of our property; engaging in any substantially different material line of business; and (iv) certain related party transactions.

These credit facilities also require us to comply with certain financial covenants which are measured on a bi-annual basis. The primary financial covenants require us to have a minimum tangible net worth that is not less than 85% of our tangible net worth of the preceding year, a ratio of earnings

before interest, taxes, depreciation and amortization, or EBITDA, to net interest expense of not less than 3.5 to 1 and a ratio of total financial indebtedness to EBITDA that is not greater than 3.0 to 1. We were in compliance with all of our financial covenants as of June 30, 2010.

Furthermore, these credit facilities contain customary events of default, such as: failure to pay any amounts outstanding under the credit facility when due; the failure to perform or observe certain covenants, including any financial covenant; certain breaches of any representation and warranty contained in the credit facility; the inability of us or any of our subsidiaries to pay its debts as they become due and payable; and the institution of an insolvency proceeding with respect to us or any subsidiary. The occurrence of an event of default under a credit facility could result in the termination of such credit facility by the lender and the acceleration of all amounts outstanding under such credit facility. These credit facilities also provide for cross defaults, such that if we default under one credit facility, we will be deemed to have defaulted under all of our credit facilities.

All of our bank credit facility providers may either vary the terms of their facilities to their satisfaction during our annual repricing negotiations or, with varying notice periods, give notice of termination of their facilities. There can be no assurance that our lenders will continue to provide us with financing on acceptable terms.

Cash Flows

Fiscal 2010 compared with fiscal 2009

Net cash used in operating activities was A$47.5 million in fiscal 2010 compared to cash generated from operating activities of A$554.4 million in fiscal 2009. The decrease was primarily due to an increase in working capital requirements. The increase in working capital was due to an increase in commodity prices which resulted in higher accounts receivable and inventory values.

Net cash used in investing activities was A$248.6 million in fiscal 2010 compared with A$214.7 million in fiscal 2009. The increase was driven by acquisitions and the purchase of other financial assets, offset by lower capital expenditures. Payments for acquisitions were A$113.4 million in fiscal 2010 compared to A$76.0 million in fiscal 2009. Capital expenditures were A$120.9 million in fiscal 2010 compared to A$187.5 million in fiscal 2009. In fiscal 2009, we received A$39.7 million of cash from the sale of our non-core manufacturing businesses.

Net cash from financing activities was A$359.3 million in fiscal 2010 compared to net cash used in financing activities of A$426.8 million in fiscal 2009. In fiscal 2010, we raised A$441.9 million from the issuance of shares. Cash dividends paid in fiscal 2010 was A$29.4 million compared to A$159.9 million in fiscal 2009.

On October 22, 2010, we paid a dividend of A$0.23 per share to shareholders of record on October 8, 2010. The total amount of dividends paid was A$46.9 million which consisted of cash dividends of A$35.4 million and A$11.5 million of dividends reinvested into ordinary shares pursuant to our dividend reinvestment plan.

Fiscal 2009 compared with fiscal 2008

Net cash from operating activities was A$554.4 million in fiscal 2009 compared with A$247.5 million in fiscal 2008. The increase was primarily due to working capital changes which generated cash of A$326.0 million in fiscal 2009 compared to cash used for working capital of A$209.2 million in fiscal 2008. The improvement in working capital was due to a significant decline in commodity prices which resulted in lower accounts receivable and lower inventory values.

Net cash used in investing activities in fiscal 2009 was A$214.7 million compared with A$137.7 million in fiscal 2008. Cash used in investing activities increased in fiscal 2009 primarily due to higher capital expenditures and an increase in cash used for acquisitions. Capital expenditures in fiscal 2009 were A$187.5 million compared to A$129.7 million in fiscal 2008. Significant capital expenditures in fiscal 2009 include investments for recovery systems for automobile shredder residue and for the construction of a WEEE facility in the UK. Cash used for acquisitions was A$76.0 million in fiscal 2009 compared to A$58.5 million in fiscal 2008. In fiscal 2009, we received A$39.7 million of cash from the sale of our non-core manufacturing businesses. In fiscal 2008, we received a return of capital of A$48.5 million from our joint ventures.

Net cash used in financing activities was A$426.8 million in fiscal 2009 compared to A$13.5 million in fiscal 2008. In fiscal 2009, we used cash generated from operations to repay outstanding borrowings resulting in a cash usage of A$265.3 million. In fiscal 2008, our borrowings increased by A$137.4 million primarily to fund our working capital needs. Cash dividends paid in fiscal 2009 were A$159.9 million compared to A$156.6 million in fiscal 2008. Although dividends per share decreased in fiscal 2009, the higher dividends were a result of the issuance of shares for the acquisition of Metal Management.

C. Research and Development, Patents and Licenses, etc.

Not applicable.

D. Trends Information

See “Item 5.A. — Operating Results” for information on material trends affecting our business and results of operations.

E. Off-Balance Sheet Arrangements

Information related to our material off-balance sheet arrangements, principally contingent liabilities, commitments for capital expenditure and other expenditure and commitments under leases at June 30, 2010 are included in Notes 22 and 23 of the consolidated financial statements included in Item 18 of this annual report.

F. Tabular Disclosure of Contractual Obligations

Our consolidated contractual obligations and commitments are summarized in the following table which includes aggregate information about our contractual obligations as of June 30, 2010 and the periods in which payments are due, based on the earliest date on which we could be required to settle the liabilities.

(in millions of A$)	Payments due by Period				
	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Contractual Obligations					
Long-term debt [1]	143.2	15.4	127.8	—	—
Capital expenditures	27.0	26.3	0.7	—	—
Derivatives — net settled	(4.4)	(4.4)	—	—	—
Derivatives — gross settled:					
Inflows	(274.4)	(274.4)	—	—	—
Outflows	278.7	278.7	—	—	—
Pension plan contributions [2]	4.7	4.7	—	—	—
Operating leases	316.7	59.0	95.6	41.1	121.0
Total contractual cash obligations	491.5	105.3	224.1	41.1	121.0

[1] Long-term debt includes interest based on the June 30, 2010 floating interest rates.

[2] Pension plan contributions represent expected cash contributions to our defined benefit pension plans for the year ended June 30, 2010. It is not practicable to present expected cash contributions for subsequent years because they are determined annually on an actuarial basis to provide for current and future benefits in accordance with federal law and other regulations.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Directors

Set forth below is information regarding the members of our Board of Directors, or the Board, as of October 1, 2010:

Name and Age	Title	Term Expires
Executive Directors:		
Daniel W. Dienst, 45	Group Chief Executive Officer	#
Non-Executive Directors:		
Paul J. Varello, 66	Chairman and Independent Non-Executive Director	2012
Norman R. Bobins, 67	Independent Non-Executive Director	2011
Geoffrey Brunsdon, 52	Independent Non-Executive Director	2012
J. Michael Feeney, 64	Independent Non-Executive Director	2012
Robert Lewon, 67	Independent Non-Executive Director	2011
Gerald E. Morris, 78	Independent Non-Executive Director	2011
Christopher J. Renwick, 67	Independent Non-Executive Director	2013*
M. Paul Sukagawa, 59	Non-independent Non-Executive Director	2012
James T. Thompson, 60	Independent Non-Executive Director	2012

[#] Under our constitution, the Group Chief Executive Officer does not have a term limit.

[*] Mr. Renwick was re-elected as an Independent Non-Executive Director at our annual general meeting on November 19, 2010.

Daniel W. Dienst

Executive Director and Group Chief Executive Officer since March 2008. Member of the Safety, Health, Environment & Community Committee, Nomination/Governance Committee and Finance & Investment Committee. Mr. Dienst was formerly a director (since June 2001), Chairman (since April 2003), Chief Executive Officer (since January 2004) and President (since September 2004) of Metal Management, Inc. which entity merged with the Company on March 14, 2008. From January 1999 to January 2004, he served in various capacities with CIBC World Markets Corp., lastly as Managing Director of the Corporate and Leveraged Finance Group. From 2002 to 2005, he was Chairman of the Board of Metals USA, Inc., a NASDAQ — listed steel service center company until its sale to a private entity. He is a director of other Sims Metal Management Limited subsidiaries and associated companies. He is a graduate of Washington University and received a Juris Doctorate from The Brooklyn Law School.

Paul J. Varello

Appointed as a director in November 2005, appointed Deputy Chairman in November 2008 and Chairman in August 2009. Member of the Remuneration Committee and Nomination/Governance Committee. Mr. Varello is Chairman of Commonwealth Engineering and Construction ("CEC"), located in Houston, Texas. Prior to founding CEC in 2003, he was Chairman and CEO of American Ref-Fuel Company. He is a registered professional engineer and a member of the American Society of Civil Engineers and the American Institute of Chemical Engineers.

Norman R. Bobins

Appointed as a director in March 2008. Chairman of the Finance & Investment Committee. He was formerly a director of Metal Management, Inc. (since 2006). Mr. Bobins is the Chairman of Norman Bobins Consulting LLC (since 2008). From May 2007 until October 2007, Mr. Bobins was the Chairman of the Board of LaSalle Bank Corporation. From 2002 to 2007, he was President and Chief Executive Officer of LaSalle Bank Corporation. From 2006 to 2007, he was President and Chief Executive Officer of ABN AMRO North America. From 2002 to 2007, he was Senior Executive Vice President at ABN AMRO Bank N.V., the Dutch parent of LaSalle Bank Corporation. Mr. Bobins is the Non-Executive Chairman of The PrivateBank and Trust Company. He is also a director of NICOR, Inc., Transco, Inc., and AAR CORP. He earned his BS from the University of Wisconsin and his MBA from the University of Chicago.

Geoffrey Brunsdon

Appointed as a director in November 2009. Member of the Risk, Audit & Compliance Committee and Finance & Investment Committee. Until June 2009, Mr. Brunsdon was Managing Director and Head of Investment Banking of Merrill Lynch International (Australia) Limited. He is Chairman of ING Private Equity Access Limited (since 2004), a director of APN Funds Management (since November 2009), a director of Macquarie University Hospital and is a member of the Takeovers Panel. He was a member of the listing committee of the Australian Stock Exchange between 1993 and 1997 and was a Director of Sims Group Limited between 1999 and 2007. He is a Chartered Accountant, a Fellow of the Financial Services Institute of Australia and a Fellow of the Institute of Company Directors. He is also involved in several non-profit organizations, including as Chairman of Redkite (supporting families who have children with cancer), and is a director of the Wentworth Group of Concerned Scientists and Purves Environmental Custodians.

J. Michael Feeney

Appointed as a director in September 1991. Chairman of the Remuneration Committee and member of the Risk, Audit & Compliance Committee and Nomination/Governance Committee. Mr. Feeney was formerly an Executive Director of Collins Partners Corporate Advisory and prior to that

Finance and Strategy Director for Philip Morris, Executive Director, Strategy & Corporate Affairs for Elders IXL and Executive Director, Corporate Strategy of Elders Resources NZFP.

Robert Lewon

Appointed as a director in March 2008. Chairman of the Nomination/Governance Committee. Member of the Safety, Health, Environment & Community Committee and Finance & Investment Committee. He was formerly a director (since March 2004) of Metal Management, Inc. Mr. Lewon has over 40 years of experience in the scrap metal industry and has served as an executive of scrap companies, including President of Simsmetal USA Corp. He has been active in the Institute of Scrap Recycling Industries, Inc. and its predecessor ISIS, serving as director and national officer, among other positions. Additionally, he has served as a consultant to scrap metal companies since his retirement from Simsmetal in 1993, and, prior to his appointment as a director of the company, he was a long-time advisor/consultant to TAMCO, the only steel mill in California.

Gerald E. Morris

Appointed as a director in March 2008. Chairman of the Risk, Audit & Compliance Committee and member of the Remuneration Committee and Nomination/Governance Committee. He was formerly a director (since January 2004) of Metal Management, Inc. Mr. Morris currently serves as President and CEO of Intalite International N.V., a diversified holding company with investments primarily in the metals fabrication industry. He also serves as Chairman and director of Beacon Trust Company. He previously served as a director of Metals USA, Inc., Rexel, Inc. and Tivoli Industries, Inc., and as trustee of the Blanchard Group of Funds. He is a Certified Public Accountant.

Christopher J. Renwick

Appointed as a director in June 2007. He is Mitsui's designated independent director. Chairman of the Safety, Health, Environment & Community Committee and member of the Finance & Investment Committee. Mr. Renwick was employed with the Rio Tinto Group for over 35 years rising, in 1997, to Chief Executive, Rio Tinto Iron Ore, a position he held until his retirement in 2004. He is Chairman and director of Coal and Allied Industries Limited (since 2004), a director of Downer EDI Limited (since 2004), and Chairman of the Rio Tinto Aboriginal Fund (since 2004).

M. Paul Sukagawa

Appointed as a director in November 2009. He is Mitsui's designated representative director. Member of the Finance & Investment Committee and the Safety, Health, Environment & Community Committee. Mr. Sukagawa joined Mitsui & Co., Ltd in 1973 and has held various positions within that company, including President & Managing Director of Mitsui Iron Ore Development (2004 to 2007), President & CEO of PT. Mitsui Indonesia (2007—2009) and, most recently, since April 2009, Senior Adviser of Mitsui Iron Ore Development.

James T. Thompson

Appointed as a director in November 2009. Member of the Safety, Health, Environment & Community Committee and the Risk, Audit & Compliance Committee. Mr. Thompson was, from 2004 until his retirement in 2007, Executive Vice President—Commercial for The Mosaic Company, one of the world's largest fertilizer companies with sales of US$8 billion and some 7,500 employees, which is publicly traded on the New York Stock Exchange. Prior to that, he was engaged for 30 years in the steel industry from 1974 to 2004 in various roles at Cargill, Inc. of Minnesota, US leading to the position of President of Cargill Steel Group from 1996 to 2004. During that period he also served for a time as Co-Chairman of the North Star BlueScope Steel joint venture, and was a member of various industry boards including AISI (American Iron and Steel Institute), SMA (Steel Manufacturers Institute) and MSCI (Metals Service Center Institute). Mr. Thompson is currently a director of Hawkins Chemical, Inc. He has a BS from the University of Wisconsin—Madison.

Executive Officers

Set forth below is information regarding our executive officers as of October 1, 2010:

Name and Age	Title
Robert Larry, 49	Group Chief Financial Officer
Graham Davy, 45	CEO — European Metals and Sims Recycling Solutions — Global Operations
Robert Kelman, 46	President — Commercial, North America
Darron McGree, 62	Managing Director — Australia and New Zealand
Alan Ratner, 58	President — Operations, North America

Robert Larry

Group Chief Financial Officer since March 2008. Executive Vice President and Chief Financial Officer of Metal Management from August 1996 to March 2008. Treasurer of Metal Management from September 2004 to March 2008.

Graham Davy

CEO — European Metals and Sims Recycling Solutions — Global Operations since October 2006. Has been employed by the Group in various capacities since September 1988, including establishing the SRS business in 2002.

Robert Kelman

President — Commercial, North America since March 2008. President and Chief Operating Officer of Sims Group USA Holdings from 2007 to March 2008. Vice President and General Manager of Northeast Metals Operations of Sims Group USA since 2005. Prior to that time, he was the Senior Vice President and General Manager of Hugo Neu Schnitzer East, a joint venture between Hugo Neu Corporation and Schnitzer Steel, since 1997.

Darron McGree

Managing Director of Sims Group Australia Holdings Limited since 2005. Prior to that time, he held various senior management positions since joining Sims in 1983.

Alan Ratner

President — Operations, North America since March 2008. President of Metal Management Northeast, Inc. from 2001 to March 2008.

B. Compensation

The following section reports the remuneration to our Board and describes our compensation policies and actual compensation for our executive officers as well as our use of equity incentives.

Director Compensation

Remuneration for non-executive directors, or NEDs, reflects our desire to attract, motivate and retain high quality directors and to ensure their active participation in the company's affairs for the purposes of corporate governance, regulatory compliance and other matters to maximize shareholder value. We aim to provide a level of remuneration for NEDs taking into account, among other things, fees paid for similar roles in comparable companies, the time commitment, risk and responsibility accepted by NEDs, and recognition of their commercial expertise and experience. Executive directors do not receive

any additional remuneration as a director.

Annual NED fees are determined within an aggregate directors' fee pool limit which is periodically recommended for approval by shareholders. The current pool limit is A$3,000,000, as approved at our annual general meeting on November 20, 2009. At that time, the pool was increased from A$2,500,000 to enable the appointment of an additional NED and to respond to foreign exchange fluctuations in the payment of fees to existing NEDs who are paid in currency other than Australian dollars: i.e. US dollars.

NEDs receive an annual fee, paid either monthly or quarterly, for their services. NED fees are inclusive of superannuation, where applicable, and are made up of a base fee for each NED, and a base fee for the Chairman of the board. In addition, the Chairman of each board committee receives a fee for acting in such capacity. All of those fees are as outlined in the table below.

NED Fees	A$
Base fee (Chairman)	433,200
Base fee (Non-executive Director)	195,600
Chairman Risk, Audit & Compliance Committee	60,000
Chairman Safety, Health, Environment & Community Committee	30,000
Chairman Remuneration Committee	30,000
Chairman Finance & Investment Committee	30,000
Chairman Nomination/Governance Committee	30,000

A NED does not receive a fee for being a member (other than as a chair) of a board committee. NEDs receive reimbursement for reasonable travel, accommodation and other expenses incurred in travelling to or from meetings of the board or when otherwise engaged in the business of the company in accordance with board policy.

NEDs are not currently covered by any contract of employment and therefore have no contract duration, notice period for termination or entitlement to termination payments other than as noted below under Retirement benefits.

NEDs may participate in the Sims Metal Management Deferred Tax Director and Employee Share Plan (NED Plan). Under the NED Plan, a NED agrees to contribute a nominated percentage of the annual fees received to fund the acquisition of shares in the company by the NED Plan trustee. There was no participation in this plan during fiscal 2010.

NEDs do not participate in any incentive (cash or equity-based) arrangements. Messrs. Lewon and Morris hold stock options as a result of grants made by Metal Management prior to the merger with Sims in 2008.

Our NED Retirement Allowance Scheme was discontinued effective June 30, 2006. The accrued amounts in respect of the remaining NEDs who had participated (Messrs. Mazoudier and Feeney) were frozen and have been indexed at 5% per annum until payment. For Australian resident NEDs, we withhold 9% of their fees and contribute on behalf of each such NED to a complying superannuation fund, as required by legislation. Mr. Mazoudier received A$977,123 from the NED Retirement Allowance Scheme upon his retirement on November 20, 2009.

Details of the fees paid to NEDs in fiscal 2010 are set out below. Fees that were paid in US dollars were converted at a rate of A$1 to US$.9626. Fees paid in Japanese yen were converted at a rate

of A$1 to ¥101.04, both being the exchange rates set by the board in July 2008. For NEDs who receive payments in foreign currencies, the tables below reflect the Australian dollar equivalent of the fees paid to each such NED based on the exchange rate at the date of payment. For information with respect to the Sims shares and equity awards held by members of the Board, see "Item 6.E. — Share Ownership."

(in A$)	Short-Term Benefits	Post-Employment Benefits		
Name	Cash Fees[6]	Super-anuation	Retire-ment Benefits	Total
Paul J. Varello[1]	511,861	—	—	511,861
Norman R. Bobins[1]	279,017	—	—	279,017
Geoffrey Brunsdon	109,993	10,878	—	120,871
J. Michael Feeney	205,296	20,304	22,150	247,750
Masakatsu Iwanaga[2, 3]	97,101	—	—	97,101
Robert Lewon[1]	262,853	—	—	262,853
Paul K. Mazoudier[2]	87,239	8,628	18,773	114,640
Gerald E. Morris[1]	316,120	—	—	316,120
Christopher J. Renwick	205,296	20,304	—	225,600
M. Paul Sukagawa[5]	119,533	—	—	119,533
James T. Thompson[1, 4]	125,325	—	—	125,325

1 Messrs. Bobins, Lewon, Morris, Thompson and Varello are residents of the US and receive their payments in US dollars.

2 Messrs. Iwanaga and Mazoudier retired from the Board on November 20, 2009.

3 Mr. Iwanaga is a resident of Japan and receives his payments in Japanese yen.

4 Mr. Thompson was appointed to the Board on November 20, 2009.

5 Mr. Sukagawa was appointed to the Board on November 20, 2009 as a representative director of Mitsui. He is currently employed by a subsidiary of Mitsui and as a result his director fees are paid to a Mitsui affiliate.

6 Figure shown is after fee sacrifice to superannuation.

Executive Officer Compensation

The following table sets forth remuneration paid to our executives in fiscal 2010. Certain executive directors and executive officers are not residents of Australia. Their respective remuneration paid in foreign currency has been converted to Australian dollars at an average exchange rate for the year. For information with respect to the Sims shares and equity awards held by executive officers, see "Item 6.E — Share Ownership."

Name	Salary[1]	Cash Bonus[2]	Other Benefits[3]	Pension and Super-annuation	Other Long-Term Benefits[4]	Termin-ation Benefits	Share-based Pay-ments[5]	Total
				(in A$)				
D. Dienst[6]	1,417,073	368,439	394,689	7,507	13,657	—	2,574,459	4,775,824
J. Sutcliffe[7]	449,095	387,000	35,209	484,290	1,981,054	1,551,200	1,328,297	6,216,145
T. Bird[6, 8]	56,192	—	5,714	5,878	—	—	(664,803)	(597,019)
G. Davy[6]	483,361	943,588	34,288	35,273	—	—	899,728	2,396,238
R. Kelman[6]	708,536	141,707	204,684	22,257	—	—	724,993	1,802,177
R. Larry[6]	708,536	708,536	113,461	20,006	14,001	—	867,373	2,431,913
D. McGree	573,743	1,029,977	21,449	100,580	27,328	—	712,110	2,465,187
A. Ratner[6]	708,536	141,707	34,091	7,507	14,001	—	807,306	1,713,148

1 Cash salary includes amounts sacrificed in lieu of other benefits at the discretion of the individual.

2 Cash bonus amount reflects the amount accrued for the fiscal 2010 short-term incentive plan for all executives, except Mr. Sutcliffe, as well as a special bonus for Mr. Larry.

3 Other short-term benefits include auto allowances, health and life insurance benefits, and accrued annual leave during the period. The amount for Messrs. Dienst, Larry and Kelman includes a one-time payment to buy out accrued annual leave from a discontinued plan for all US employees. The amount for Mr. Dienst also includes payments for personal security and a A$172,236 reimbursement for a redundant state tax payment (including gross-up) made due to a state jurisdiction dispute.

4 Other long-term benefits include amounts accrued for cash-based long-term incentive plans, long-service leave and deferred compensation plans.

5 Share-based payments represent the accounting expense (as computed pursuant to IFRS 2 *Share-based Payment*) recognized for share-based awards.

6 Messrs. Dienst, Larry, Ratner and Kelman are residents of the US and receive their cash payments in US dollars. Messrs. Bird and Davy are residents of the UK and receive their cash payments in pounds sterling.

7 Mr. Sutcliffe's agreement was terminated by way of redundancy on August 26, 2009.

8 We accepted the resignation of Mr. Bird on August 17, 2009. Under the terms of his resignation, Mr. Bird forfeited any entitlement to a bonus payment and unvested share-based awards. Share-based payment amount for Mr. Bird reflects the reversal of previously recognized share-based expense.

Share-based Plan Awards

During fiscal 2010, the following grants of options were made to executive officers. The options vest equally over three years beginning on August 31, 2010.

Name	Grant Date	Number Granted	Exercise Price	Expiration Date
Ordinary shares (A$)				
G. Davy	November 23, 2009	37,231	$21.95	November 23, 2016
D. McGree	November 23, 2009	46,908	$21.95	November 23, 2016
ADS (US$)				
D. Dienst	November 23, 2009	178,037	$20.57	November 23, 2016
R. Kelman	November 23, 2009	44,914	$20.57	November 23, 2016
R. Larry	November 23, 2009	56,142	$20.57	November 23, 2016
A. Ratner	November 23, 2009	44,914	$20.57	November 23, 2016

During fiscal 2010, the following grants of performance rights were made to executive officers. The performance rights will vest on August 31, 2012 subject to the achievement of a total stockholder return over a three-year period commencing on July 1, 2009.

Name	Grant Date	Number Granted
D. Dienst	November 23, 2009	197,006
G. Davy	November 23, 2009	16,928
R. Kelman	November 23, 2009	25,531
R. Larry	November 23, 2009	31,914
D. McGree	November 23, 2009	20,728
A. Ratner	November 23, 2009	25,531

In addition, we made a restricted share award of 15,782 shares to Mr. Larry on February 18, 2010 which vests over three years based on continuous service.

For additional information on our share-based plans, refer to Note 24 of the consolidated financial

statements included in Item 18 of this annual report.

C. Board Practices

Under our constitution, the Board is required to be comprised of at least six directors. Under our Board Charter, a majority of directors, including the Chairperson of the Board, must be independent. The Chairperson must not also be the Group Chief Executive Officer or other officer or employee of Sims or of any of its consolidated subsidiaries.

In accordance with the listing rules of the ASX, directors (other than the Group Chief Executive Officer) appointed to fill a casual vacancy or as an addition to the Board must stand for re-election at the next following annual general meeting of the listed company, and directors serve three-year terms and are eligible for re-election to further three-year terms.

The Board is responsible for the corporate governance and overall performance of the Company and for providing strategic guidance for our business. The Board's responsibilities encompass the setting of key objectives, monitoring performance and ensuring our internal control, risk management and reporting procedures are adequate and effective.

Committees of the Board

The Board has established five committees to assist in the execution of Board functions, namely, a Remuneration Committee, a Risk, Audit & Compliance Committee, a Safety, Health, Environment & Community Committee, a Nomination/Governance Committee and a Finance & Investment Committee. Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties. Descriptions of the current roles and responsibilities of these committees are set out below.

Remuneration Committee

The Remuneration Committee of the Board is comprised of at least three directors, with a majority being independent. The current members of the Remuneration Committee are J. Michael Feeney (Chair), Paul J. Varello and Gerald E. Morris.

The primary role of the Remuneration Committee is to support and advise the Board on the implementation and maintenance of coherent, fair and responsible remuneration policies which are observed and which enable us to attract and retain executives and directors who will create value for our shareholders. The Remuneration Committee has responsibility for, among other things, reviewing and making recommendations to the Board on:

- remuneration and incentive performance packages of the CEO and direct reports to the CEO;
- recruitment, retention and termination policies and procedures;
- introduction and application of equity-based schemes, including allocations; and
- level of annual fees paid to the non-executive directors.

Risk, Audit & Compliance Committee

The Risk, Audit & Compliance Committee, or RAC, is comprised of at least three directors, each of whom must be independent. All RAC members must be financially literate and have an understanding of the industry in which we operate. At least one member must have accounting or related financial management expertise, either as being a qualified accountant, or other financial professional with experience of financial and accounting matters. The current members of the RAC are Gerald E. Morris

(Chair), Geoffrey N. Brunsdon, J. Michael Feeney and James T. Thompson.

The RAC assists the Board in fulfilling its responsibility to oversee the quality and integrity of accounting, auditing and reporting practices. In particular, the primary role of the RAC is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to our accounting and financial reporting, internal control structure, risk management systems (including the review of risk mitigation, which includes commercial insurance coverage), internal and external audit functions, and compliance with legal and regulatory requirements. The specific functions of the RAC are set out in its charter and include:

- reviewing and assessing the internal and external reporting of financial information;
- assessing management processes supporting the integrity and reliability of our financial and management reporting systems and our external reporting;
- overseeing the relationship with and performance of the external auditor and assessing the independence of the external auditor; and
- overseeing the performance of the internal audit function.

The RAC is also required to pre-approve all audit and non-audit services (including valuation, internal audit, legal and corporate services) provided by the external auditors and not engaging the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditors' judgment or independence in respect of Sims or that violate the prohibitions on non-audit services provided in Sections 201 and 202 of the Sarbanes-Oxley Act of 2002 or the auditor independence rules or interpretations of the SEC or the United States Public Company Accounting Oversight Board.

Safety, Health, Environment & Community Committee

The SHEC Committee is comprised of at least three directors, of whom one at least must be independent. The current members of the SHEC Committee are Christopher J. Renwick (Chair), Daniel W. Dienst, Robert Lewon, James T. Thompson and M. Paul Sukagawa.

The primary role of the SHEC Committee is to provide additional focus and advice to the Board on key SHEC issues and to assist the Board to fulfill and discharge its SHEC obligations.

Nomination/Governance Committee

The Nomination/Governance Committee is comprised of at least three directors, with a majority being independent. The current members of the Nomination/Governance Committee are Robert Lewon (Chair), Paul J. Varello, J. Michael Feeney, Daniel W. Dienst, and Gerald E. Morris.

The Nomination/Governance Committee is responsible for recommending new nominees for membership of the Board and assessing necessary and desirable competencies of Board members. The Nomination/Governance Committee is also responsible for reviewing our corporate governance procedures and recommending changes to the Board as appropriate; developing a plan for Board succession, including the succession of the Chairperson of the Board and the CEO, and monitoring succession plans for our management levels and key resources; and establishing procedures for and overseeing the evaluation of the Board.

Finance & Investment Committee

The Finance & Investment Committee, or FIC, is comprised of at least three directors of whom one at least shall be independent. The current members of the FIC are Norman R. Bobins (Chair), Geoffrey N. Brunsdon, Daniel W. Dienst, Robert Lewon, Christopher J. Renwick, M. Paul Sukagawa and

Paul J. Varello.

The primary role of the FIC is to review, advise and report to the Board on the management of our financial resources and invested assets, shareholder dividend policy and shareholder dividends, our capital plan and capital position, debt levels, evaluation of acquisitions and other financial matters. The FIC also reviews broad investment policies and guidelines and makes recommendations to the Board.

D. Employees

We had 5,572 employees as of June 30, 2010. The table below sets forth the total number of employees by geography segment for the past three years.

	As of June 30,		
	2010	2009	2008
Australasia	895	945	1,099
North America	3,370	3,248	3,574
Europe	1,307	1,340	1,312
Total employees	5,572	5,533	5,985

The increase in the number of employees from June 30, 2009 to June 30, 2010 was due to additions from acquisitions during the fiscal year. The decrease in the number of employees from June 30, 2008 to June 30, 2009 was a result of company-wide cost rationalization measures.

We have a mix of collective “at will” and individually negotiated employment arrangements throughout North America, Australasia and Europe.

In locations where our employees are represented by unions, we work closely with the unions to maintain positive labor relations. We had no significant strikes or other industrial actions during fiscal 2010 and successfully renegotiated the collective bargaining agreements that expired during the fiscal year. We believe that successful relations with all our employees, unionized and non-unionized, must be built on values of mutual trust and respect.

Management believes that we have a good relationship with our employees and with the labor unions.

E. Share Ownership

Details regarding share ownership, as well as potential ownership interest through holding of equity-based incentives, of the members of our Board and our executive officers are set forth in Note 25 of the consolidated financial statements included in Item 18 of this annual report.

Item 7. Major Shareholders and Related Party Transactions

A. Major shareholders

As of September 10, 2010, to the knowledge of Sims, the following persons, having provided us with substantial shareholder notices in accordance with the Corporations Act of Australia, beneficially owned 5% or more of Sims ordinary shares:

Principal Beneficial Shareholders	Number of Shares	Percentage
Mitsui Raw Materials Development Pty Limited	36,151,787	17.72%
M & G Investment Funds	20,094,157	9.85%
Legg Mason Asset Management Limited	12,374,033	6.06%
IOOF Holdings Limited	10,267,704	5.03%

As of September 10, 2010, the following persons were registered at Sims' share registry as holding 5% or more of Sims ordinary shares:

Principal Registered Shareholders	Number of Shares	Percentage
National Nominees Limited	47,674,996	23.37%
Mitsui Raw Materials Development Pty Limited	33,486,787	16.42%
HSBC Custody Nominees (Australia) Limited	31,776,010	15.58%
J.P. Morgan Nominees Australia Limited	26,955,367	13.21%

Shareholders of the company do not have different voting rights. Mitsui Raw Materials Development Pty Limited holds approximately 18% of the outstanding ordinary shares of Sims and is our largest shareholder. Under our constitution, Mitsui & Co., Ltd and any of its related corporate bodies, which are collectively referred to as Mitsui, have the right to designate a representative director to serve on our Board so long as Mitsui holds 5% or more of Sims ordinary shares and, so long as Mitsui holds 15% or more of Sims ordinary shares, then Mitsui has the right to designate both a representative director and an independent director to serve on our Board. Currently, Mr. Sukagawa is Mitsui's designated representative director and Mr. Renwick is Mitsui's designated independent director.

As of June 30, 2010, there were 203,881,274 ordinary shares outstanding, of which 4,390,914 ordinary shares were held by 36 registered holders with a registered address in the US and 27,204,320 ADSs were held by 247 registered holders with a registered address in the US. Since certain of the ordinary shares and ADSs were held by brokers and nominees, the number of record holders in the US may not be representative of the number of beneficial holders or of where the beneficial holders are resident.

B. Related Party Transactions

Transactions with related parties during fiscal 2010 that are material to us or to a related party are presented in Note 30 of the consolidated financial statements included in Item 18 of this annual report.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Our consolidated financial statements are set out on pages F-1 to F-62 in Item 18 of this annual report.

Export Sales

The total sales made outside of Australia in fiscal 2010 were A$6947.3 million which represented 93% of total sales of A$7,452.6 million.

Legal Proceedings

Various claims and legal actions are pending against us in respect of contractual obligations and other matters arising out of the conduct of our business. In the opinion of management, any liability will not materially affect our consolidated financial position, results of operations or cash flows.

Dividend Policy

Under our constitution, our Board may, from time to time, determine that a dividend is payable to our shareholders. Subject to our constitution, the Corporations Act, the listing rules of the ASX and the rights of holders of shares with special rights as to dividends, dividends are to be apportioned and paid among our shareholders in proportion to the amounts paid up (not credited) on the shares held by the shareholders. In relation to partly paid shares, any amount paid on a share in advance of a call will be ignored when calculating the relevant proportion. We presently expect to continue to pay dividends in the future. The total amounts of future dividends will be determined by our Board and will depend on our profit after tax, cash flow, financial and economic conditions and other factors. We have expressed an intention to maintain a dividend payout ratio of between 45% and 55% of net profit.

On June 28, 2010, new dividend laws came into effect in Australia under the Corporations Act and apply to all Australian incorporated companies. The previous law, which required dividends to be only paid from profits, has been abolished. This has now been replaced with a three tiered solvency test which requires:

- assets to exceed its liabilities immediately before the dividend is declared and the excess to be sufficient for the payment of the dividend; and
- the payment of the dividend to be fair and reasonable to shareholders as a whole; and
- the payment of the dividend to not materially prejudice the ability to pay its creditors.

At our annual general meeting on November 19, 2010, our shareholders approved an amendment to our constitution to replace the profits test with the solvency test.

The Board may deduct from any dividend payable to a shareholder all sums of money presently payable by the shareholder to Sims on account of calls on shares held by it or otherwise.

In addition, we have adopted a dividend reinvestment plan, which permits eligible participants to elect to be issued Sims ordinary shares in lieu of a cash dividend for some or all of their Sims ordinary shares. ADS holders cannot participate in the dividend reinvestment plan.

B. Significant Changes

No matters or circumstances have arisen since June 30, 2010 that have significantly affected, or may significantly affect, our operations, results of operations or state of affairs in subsequent accounting periods.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our capital consists of ordinary shares traded on the ASX under the symbol "SGM." ADSs, each representing one ordinary share, are traded on the NYSE under the symbol "SMS." The ADSs are evidenced by American Depositary Receipts, or ADRs, issued by Bank of New York Mellon, as depositary under the Amended and Restated Deposit Agreement dated as of March 14, 2008, among Sims, Bank of New York Mellon and registered holders from time to time of ADRs. The ADSs began trading on March 17, 2008.

The table below sets forth, for the periods indicated, the reported high and low quoted prices for our ordinary shares on the ASX and the reported high and low quoted prices for the ADSs on the NYSE.

	ASX Price Per Share A$		NYSE Price Per Share US$	
	High	Low	High	Low
Year ended June 30, 2010:				
First Quarter	29.15	22.10	23.74	18.21
Second Quarter	24.00	19.38	22.11	17.11
Third Quarter	25.50	18.86	23.60	16.30
Fourth Quarter	23.43	16.34	21.47	14.10
Year ended June 30, 2009:				
First Quarter	43.20	27.22	41.49	20.00
Second Quarter	29.99	10.68	23.37	6.97
Third Quarter	20.61	14.44	14.87	9.39
Fourth Quarter	27.19	16.90	22.78	11.90
Year ended June 30, 2008	42.41	29.62	40.99	27.25
Year ended June 30, 2007	28.65	22.62	n/a	n/a
Year ended June 30, 2006	20.60	14.03	n/a	n/a
Most recent six months:				
November 2010	18.32	16.21	17.36	16.00
October 2010	17.95	15.23	17.60	15.45
September 2010	19.00	16.51	17.79	15.27
August 2010	18.48	15.38	16.74	13.00
July 2010	18.74	15.72	16.90	16.47
June 2010	19.00	16.34	17.18	14.10

B. Plan of Distribution

Not applicable.

C. Markets

See "Item 9.A. — Offer and Listing Details."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We are a public company limited by shares registered under the Corporations Act by the Australian Securities and Investments Commission, or ASIC. Our registered company number is 114 838 630. Our constitution does not specify the objects and purposes of the company. The rights of our shareholders are set forth in our constitution, which is similar in nature to the certificate of incorporation and bylaws of a company incorporated under state corporation laws in the US. Our constitution is subject to the terms of the listing rules of the ASX and the Corporations Act. Our constitution may be amended or repealed and replaced by special resolution of shareholders, which is a resolution passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Our current constitution was adopted on October 21, 2005 and was amended on November 19, 2010. Under Australian law, a company has the legal capacity and powers of an individual both inside and outside Australia. The material provisions of our constitution are summarized below. This summary is not intended to be complete, nor does it provide a definitive statement of the rights and liabilities of our shareholders and is qualified in its entirety by reference to the constitution filed as Exhibit 1.1 hereto.

Directors

Our constitution provides for a minimum of six directors. Under the listing rules of the ASX, our directors are elected for three year terms and must retire from office or seek re-election by no later than the third annual general meeting following such director's election or three years, whichever is longer. Our Group Chief Executive Officer, Daniel W. Dienst, is not subject to this obligation while he serves in such position.

The number of directors up for election at an annual general meeting depends upon the number of directors due to retire or seek re-election that year. However, our constitution provides that, unless otherwise determined by a resolution of our Board while Sims is listed on the ASX, at least one director must retire from office at each annual general meeting, unless there has been an election of directors earlier that year. If no director is required to retire at the annual general meeting due to having been in office for three years or due to being appointed that year, the director required to retire will be the one who has been longest in office since his or her last election.

Directors are elected by an ordinary resolution of the holders of our ordinary shares and ADSs. However, the Board has the power to appoint any other person as a director either to fill a casual vacancy (on retirement of a director or where the maximum allowable number of directors has not been appointed). Directors appointed in this manner must retire from office (and will be eligible for re-election) at the next annual general meeting. The constitution contains no age limit requirements for the retirement or non-retirement of directors and does not require a director to hold shares in Sims.

Subject to the Corporations Act and the listing rules of the ASX, neither a director nor his or her alternate may vote at any Board meeting about any contract or arrangement in which the director has, whether directly or indirectly, a material personal interest. However, that director may execute or otherwise act in respect of that contract or arrangement. Any director who has a material personal interest in a matter that relates to the company's affairs must give the other directors notice of that interest, unless the interest is of a type referred to in section 191(2)(a) of the Corporations Act, or all of the conditions referred to in section 191(2)(c) of the Corporations Act are satisfied. The director must declare the nature and extent of the director's interest and the relation of the interest to the company's affairs at a Board meeting as soon as possible after the director becomes aware of his or her interest in the matter. A director who has an interest in a matter may give a standing notice to the other directors of the nature and extent of that director's interest in the matter in accordance with section 192 of the Corporations Act. Any director who holds any office or possesses any property whereby the holding or possession might (whether directly or indirectly) create conflicting duties or interests with those as a company director must declare the fact of holding that office or possessing that property, and the nature and extent of any conflict, at the first Board meeting held after he or she becomes a director or (if already a director) at the first Board meeting held after he or she becomes aware of the relevant facts.

We may in general meeting, from time to time, determine the maximum aggregate cash remuneration to be paid to the non-executive directors for services rendered as directors. At our annual general meeting on November 20, 2009, our shareholders approved an increase in the maximum aggregate remuneration to A$3.0 million. The directors may divide the remuneration among themselves in any proportions and in any manner as they may from time to time determine. If the directors do not or are unable to agree as to the apportionment of the remuneration, it will be divided among them equally. If any director performs extra services or makes special exertions (at the Board's request), such as going or living abroad, serving on any Board committee, or otherwise for any company purpose, we may remunerate that director by paying for those services and exertions.

The directors may, from time to time, at their discretion, cause the company to borrow or raise any sum or sums of money or obtain other financial accommodation for company purposes and may grant security for the repayment of that sum or sums or the payment, performance or fulfillment of any debts, liabilities, contracts or obligations incurred or undertaken by the company in any manner and on any terms and conditions as they think fit and in particular by the issue or re-issue of bonds, perpetual or redeemable debentures or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the company (both present and future) including its uncalled or unpaid capital for the time being.

Rights and Restrictions on Classes of Shares

The rights of holders of our ordinary shares are governed by the Corporations Act, our constitution, the listing rules of the ASX and Australian law. Our constitution provides that we may issue preference, deferred, or non-voting shares, whether in relation to dividends, voting, return of share capital, payment of calls or otherwise as the Board may determine from time to time.

Our constitution provides that, subject to the Corporations Act and the listing rules of the ASX,

all or any of the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may be varied or cancelled, including by converting or reclassifying shares from one class to another (i) with the written consent of holders of at least 75% of the shares issued in such class; or (ii) with the approval of a special resolution passed at a meeting of holders of the shares of such class.

Dividend Rights

Under our constitution, the Board may, from time to time, determine that a dividend is payable to our shareholders. Subject to our constitution, the Corporations Act, the listing rules of the ASX and the rights of holders of shares with special rights as to dividends, dividends are to be apportioned and paid among our shareholders in proportion to the amounts paid up (not credited) on the shares held by the shareholders. In relation to partly paid shares, any amount paid on a share in advance of a call will be ignored when calculating the relevant proportion.

Voting Rights

Our constitution provides that, generally, each shareholder has one vote on a show of hands and, on a poll, one vote for each ordinary share fully paid and, if not fully paid, a fraction of a vote equivalent to the proportion of the ordinary share paid up.

A shareholder may not vote at any general meeting in respect of ordinary shares it holds on which calls or other moneys are due and payable to Sims at the time of the meeting. However, a shareholder holding ordinary shares on which no calls or other moneys are due and payable to Sims is entitled to receive notices of, and to attend, any general meeting and to vote and be counted in a quorum even though that shareholder has moneys then due and payable to Sims in respect of other ordinary shares which that shareholder holds.

Joint holders of our ordinary shares may vote at any shareholders' meeting either personally or by proxy or by attorney or representative in respect of those ordinary shares as if they were solely entitled to those ordinary shares. If more than one joint holder votes, then the vote of the joint holder whose name appears first on the register will be counted.

Preemptive Rights

Preemptive rights on transfers of shares are not applicable to listed companies in Australia. ASX listing rule 7.1 provides the extent to which listed companies can place shares without offering them to existing shareholders on a rights basis. Generally, placements are limited to 15% of the company's outstanding share capital in any rolling 12-month period.

Liability to Further Calls

The Board may make calls on the shareholders as it deems fit for all moneys unpaid on shares held by such shareholders which are not moneys made payable by the conditions of allotment at fixed times. A call is deemed to have been made when the board resolution authorizing such call was passed. A call may be made payable by installments. The Board may revoke or postpone a call.

We must give written notice of a call at least 30 business days before such call is due. The notice must specify the time and place for payment and any other information required by the listing rules of the ASX. The non-receipt of any notice by, or the accidental omission to give notice of any call to, any shareholder will not invalidate the call.

The directors may, on the issue of shares, differentiate between the shareholders as to the amount of calls to be paid and the time for payment of those calls. Any sum which, by the terms of issue of a

share, becomes payable on allotment or at any fixed date, will for the purposes of Sims's constitution be deemed to be a call duly made and payable on the date on which the sum is payable. In case of non-payment, all the relevant provisions of our constitution as to payment of interest and expenses, forfeiture or otherwise will apply as if the sum had become payable by virtue of a call duly made and notified.

A sum called in respect of a share and not paid on or before the date for payment bears interest from the date for payment to the time of actual payment at any rate as the Board may determine. The Board may waive payment of interest, either in whole or in part.

Liquidation Rights

In a winding up, any assets available for distribution to shareholders will, subject to the rights of the holders of shares issued on special terms and conditions, our constitution, the Corporations Act and the listing rules of the ASX, be distributed amongst the shareholders in proportion to the capital paid up on their shares and any surplus distributed in proportion to the amount paid up (not credited) on shares held by them.

We cannot pay any director or liquidator any fee or commission on the sale or realization of the whole or part of Sims's undertaking or assets without shareholders' approval. Such approval must be given at a general meeting convened by notice specifying the fee or commission proposed to be paid.

If Sims is wound up, whether voluntarily or otherwise, the liquidator may (i) with the shareholders' approval via a special resolution, divide among the contributories in specie or kind any part of the assets of Sims; (ii) with the shareholders' approval via a special resolution, vest any part of the assets of Sims in trustees of trusts for the benefit of the contributories or any of them as the liquidator deems appropriate; and (iii) determine the values it considers fair and reasonable on any property to be divided and determine how the division is to be carried out.

Annual General Meetings and General Meetings of Shareholders

Under the Corporations Act and our constitution, there are two types of shareholders' meetings: annual general meetings and general meetings. Annual general meetings, under the Corporations Act, are required to be held at least once every calendar year and within five months after the end of our fiscal year.

General meetings of shareholders may be called by the Board. Under the Corporations Act, notice of a general meeting must be given to our shareholders at least 28 days before the date of such general meeting. The notice must specify the date, time and place of the general meeting and state the general nature of the business to be transacted at the general meeting. Under the Corporations Act, a general meeting of shareholders may be called by shareholders holding at least 5% of the total votes that may be cast at the meeting or at least 100 shareholders who are entitled to vote. A quorum for a general meeting is three shareholders.

All shareholders are entitled to attend annual general meetings and general meetings, in person or by proxy, attorney or corporate representative.

Foreign Ownership Regulation

Except for the provisions of the Foreign Acquisitions and Takeovers Act 1975 which impose certain conditions on, or approvals in respect of, the foreign ownership of Australian companies, there are no limitations imposed by law, or our constitution, on the rights of non-residents of Australia or foreign persons to hold or vote the ordinary shares or ADSs that would not apply generally to all shareholders.

Restrictions on Takeovers

The Corporations Act places restrictions on the acquisition of greater than 20% of Sims's issued voting shares (or where a shareholder's voting power, whose voting power was already above 20% but below 90%, increases in any way). Such acquisitions must comply with certain prescribed exceptions to these restrictions set forth in the Corporations Act. For instance, such an acquisition may be made under a takeover offer made to all shareholders on the same terms and which complies with certain timetable and disclosure requirements.

Generally, a company listed on the ASX may not acquire a substantial asset from, or dispose of a substantial asset to, a person who (together with associates) controls more than 10% of such company's voting shares, or issue securities to a related party, unless such transaction has been approved by such company's shareholders. The Corporations Act also imposes limitations on transactions between public companies and related parties which do not have shareholder approval (unless certain exceptions apply).

Clause 13 of our constitution, which relates to the making of proportional takeover bids, has lapsed by operation of the Corporations Act and it has no affect.

Ownership Threshold

There are no provisions in our constitution that require a shareholder to disclose ownership above a certain threshold. The Corporations Act, however, requires a substantial shareholder to notify us and the ASX once a 5% relevant interest in our voting shares is obtained. Further, once a shareholder owns a 5% relevant interest in us, such shareholder must notify us and the ASX of any increase or decrease of 1% or more in its holding of our voting shares or if it ceases to have relevant interest of at least 5%.

C. Material Contracts

The following are material contracts, other than contracts entered into the ordinary course of business, which we have entered into during the last two years immediately preceding the date of filing of this annual report.

Primary Credit Facilities Provided by CBA, WBC, HSBC, BOA and NAB

A summary of the contracts governing our primary credit facilities provided by CBA, WBC, HSBC, BOA and NAB is provided above in "Item 5.B. — Liquidity and Capital Resources."

D. Exchange Controls

The Australian Banking (Foreign Exchange) Regulations 1959 and other Australian legislation and regulations control and regulate, or permit the control and regulation of, a broad range of payments and transactions involving non-residents of Australia. We are not restricted from transferring funds from Australia or placing funds to the credit of non-residents of Australia subject to:

- withholding for Australian tax due in respect of dividends (to the extent they are unfranked) and interest and royalties paid to non-residents of Australia;
- a requirement for approval from the Reserve Bank of Australia or in some cases the Minister for Foreign Affairs and the Department of Foreign Affairs and Trade, or DFAT, for certain payments or dealings in or out of Australia to or on behalf of:
    - members of the previous government of Iraq, its senior officials and their immediate families;

- certain supporters of the former government of the Federal Republic of Yugoslavia;
- the Taliban or any undertaking owned or controlled directly or indirectly by the Taliban and certain other named terrorist organizations and individuals such as Al-Qaida;
- certain ministers and senior officials of the Government of Zimbabwe;
- certain Burmese regime figures and supporters;
- certain entities associated with North Korea; or
- certain entities and persons associated with Iran; and

- sanctions with respect to financial transactions also exist in relation to certain individuals and entities in the Democratic Republic of Congo, Eritrea, Liberia, Sudan, Cote d'Ivoire, Sierra Leone, Lebanon and Somalia. These sanctions are administered by DFAT, based on the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth).

This list is subject to change from time to time. Accordingly, at the present time, remittance of dividends on our ordinary shares to the depositary is not subject to exchange controls.

Other than under the Corporations Act 2001, the Australian Foreign Acquisitions and Takeovers Act 1975, the Income Tax Assessment Act 1936 (insofar as such laws apply) or as contained in applicable Australian government policy (and except as otherwise described above), there are no limitations, either under Australian law or under our constitution on the right to hold or vote Sims ordinary shares.

E. Taxation

Australian taxation

The following discussion is a summary of certain Australian taxation implications of the ownership of ordinary shares (including ADSs). The statements concerning Australian taxation set out below are based on the laws in force at the date of this annual report and the Convention between the Government of Australia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the Tax Treaty), and are subject to any changes in Australian law and any changes in the Tax Treaty occurring after that date.

The discussion is intended only as a descriptive summary and does not purport to be a complete analysis of all the potential Australian tax implications of owning and disposing of ordinary shares. The specific tax position of each investor will determine the applicable Australian income tax implications for that investor. We recommend each investor consult their own tax adviser concerning the implications of receiving dividends and owning and disposing of ordinary shares.

Taxation of dividends

Under the Australian dividend imputation system, Australian tax paid at the company level is imputed (or allocated) to shareholders by means of imputation credits which attach to dividends paid by the company to the shareholder. Such dividends are termed "franked dividends."

When an Australian resident individual shareholder receives a franked dividend, the shareholder receives a tax offset to the extent of the franking credits, which can be offset against the Australian income tax payable by the shareholder. An Australian resident shareholder may, in certain circumstances, be entitled to a refund of excess franking credits.

While a company is no longer restricted to only declaring dividends out of earnings and profits, the extent to which a dividend is franked depends in broad terms upon a company's available franking credits and the nature of that dividend. Accordingly, a dividend paid to a shareholder may be wholly or

partly franked or wholly unfranked.

Fully franked dividends paid to non-resident shareholders are exempt from Australian dividend withholding tax. Dividends that are not fully franked dividends are subject to withholding tax on the unfranked portion except to the extent that the dividend is declared to be "conduit foreign income" (in essence income and gains that have a foreign source from an Australian perspective which would include dividends received from non-Australian subsidiaries).

Dividends paid to non-resident shareholders that are not fully franked are subject to dividend withholding tax at the rate of 30% (unless reduced by a double tax treaty) to the extent they are unfranked and not paid out of conduit foreign income. In the case of residents of the US, the rate is reduced to 15% under the Tax Treaty, provided the shares are not effectively connected with a permanent establishment or a fixed base of a non-resident in Australia through which the non-resident carries on business in Australia or provides independent personal services. Where a US company holds directly at least 10% of the voting interest in the company paying the dividend, the withholding tax rate is reduced to 5%.

In the case of residents of the US that have a permanent establishment or fixed base in Australia and the shares in respect of which the dividends are paid are attributable to that permanent establishment or fixed base, the dividends will not be subject to dividend withholding tax. Rather, such dividends will be taxed on a net assessment basis in Australia and, where the dividends are franked, entitlement to a tax offset against Australian income tax payable by the shareholder may arise to the extent of the franking credits.

There are rules where in certain circumstances a shareholder may not be entitled to the benefit of franking credits (i.e. the ability to claim a tax offset). The application of these rules will depend upon the shareholder's own circumstances, including the period which the shares are held and the extent to which the shareholder is 'at risk' in relation to their shareholding. Shareholders will need to obtain their own advice in relation to these rules.

We will send shareholders statements indicating the extent to which dividends are franked or paid out of conduit foreign income, and the amount of tax (if any) withheld.

A US holder of ordinary shares (who is also not a tax resident of Australia and who does not hold ordinary shares as a business asset through a permanent establishment in Australia) with no other Australian source income is not required to file an Australian tax return.

Gain or loss on disposition of shares

The Australian income tax treatment in respect of the disposition of shares will depend on whether the investor holds the shares on capital or revenue account. This will be a question of fact (as opposed to a bright line holding period test) and each investor will need to consider its own circumstances.

Capital Account

Under existing law, a resident of the US disposing of shares in an Australian company will be free from capital gains tax in Australia except where:

(a) the shares are held as part of a trade or business conducted through a permanent establishment in Australia; or

(b) the shareholder and its associates hold (or have held the shares for a 12 month period during the last 24 months) an interest of 10% or more in the issued capital of the company and more than 50% of the market value of the company's assets relate to Australian real

property.

If either of the above exceptions apply, capital gains tax in Australia is payable as follows:

(i) Individual Investor

Capital gains tax is payable on 50% of any capital gains (without adjustment for inflation indexation) on the disposal of shares acquired on or after 11:45 a.m. on September 21, 1999 and held for at least 12 months. For shares considered to be acquired for Australian tax purposes prior to 11:45 a.m. on September 21, 1999, individuals will be able to choose between the following alternatives:

- taxed on any capital gain after allowing for cost base indexation up to September 30, 1999 (essentially when indexation ceased) where the shares have been held for at least 12 months (i.e. the difference between the disposal price and the original cost indexed for inflation over the period to September 30, 1999); or
- taxed on 50% of the actual capital gain (without adjustment for inflation indexation) where the shares have been held for at least 12 months.

Normal rates of income tax would apply to capital gains so calculated.

Capital losses are not subject to indexation; they are available as deductions, but only in the form of offset against capital gains. Depending upon which of the above alternatives are chosen, capital losses may be offset against capital gains indexed to September 30, 1999 or the full nominal capital gain before the 50% reduction. Excess capital losses can be carried forward indefinitely for offset against future capital gains.

(ii) Corporate Investor

Capital gains tax is payable on any capital gains made (without adjustment for inflation indexation) on the disposal of shares considered to be acquired for Australian tax purposes on or after 11:45am on September 21, 1999. For shares acquired prior to 11:45am on September 21, 1999, a corporate investor will be taxed on any capital gain after allowing for indexation of the cost base (i.e. the difference between the disposal price and the original cost indexed for inflation over the period). The 50% discount is not applicable for corporate investors. The corporate income tax and capital gains tax rate is currently 30%.

Excess capital losses can only be offset against future capital gain where certain loss recoupment tests are satisfied. There may be other special rules which apply to the taxation of capital gains for other types of entities.

Revenue Account

Under Australia's domestic income tax provisions, a non-resident of Australia is taxed on profits arising on the sale of shares where that profit is on revenue account and has an Australian source. The source of profit is a question of fact and will need to be assessed by the investor. Where the gain is taxable, the Tax Treaty may apply as follows:

(a) If the US investor holds the shares as part of a trade or business conducted through a permanent establishment in Australia, any profit on disposal would be assessable and subject to ordinary income tax. (Any losses on disposal may constitute an allowable deduction.)

(b) If the US investor does not hold the shares as part of a trade or business conducted through a permanent establishment in Australia, then the Tax Treaty should operate to ensure that the taxing of any profits arising on the sale of shares should only occur in the US even if the source of that profit is Australian. The only exception is if the profits are in respect of the

disposal of shares which consist wholly or principally of real property situated in Australia in which case Australia will have taxing rights under the Tax Treaty.

Any taxable gain would be fully taxable, that is, there is no concession to reduce the gain for inflation or apply a discount to reduce the gain. If a gain is taxable, any capital gain on the sale should be reduced to nil under specific anti-duplication rules.

There should be no Australian stamp duty, goods and services tax or transfer taxes on the sale, disposal or exchange of ordinary shares by a US shareholder.

Australia does not impose any gift, estate, death, or other duty in respect of the gift, devise or bequest of ordinary shares by a US shareholder.

US Federal taxation

The following discussion is a summary of certain US federal income tax consequences of owning ordinary Shares or ADSs. This section is based on the US Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations and published rulings and court decisions, all as currently in effect, as well as the Tax Treaty. These laws are subject to change, possibly on a retroactive basis. This discussion does not address effects of any state or local tax laws. The specific tax position of each investor will determine the applicable US federal, state and local income tax implications for that investor and we recommend each investor consult their own tax adviser concerning the implications of receiving dividends and owning and disposing of ordinary shares or ADSs. This section does not apply to you if you are not a "US holder" as defined below.

For purposes of this discussion, you are a "US holder" if you are a beneficial owner of shares and you are:

- a citizen or resident of the US;
- a domestic corporation;
- an estate whose income is subject to US federal income tax regardless of its source; or
- a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorized to control all substantial decision of the trust.

Taxation of dividends

Under the US federal income tax laws, and subject to the discussion below under "Passive foreign investment company," if you are a US holder, you must include in your gross income the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for US federal income tax purposes). If you are a non-corporate US holder, dividends paid to you in taxable years beginning before January 1, 2011 that constitute qualified dividend income will be taxable to you at a maximum long-term capital gains tax rate of 15% provided that the US holder holds the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements otherwise ordinary income tax rates will apply.

As a general rule, dividends paid by a foreign corporation will not constitute qualified dividend income if such corporation is treated, for the tax year in which the dividend is paid, or the preceding tax year, as a passive foreign investment company, or a PFIC, for US federal income tax purposes. We do not believe that we will be classified as a PFIC for US federal income tax purposes for our current taxable year or that we were classified as a PFIC in a prior taxable year, and therefore dividends we pay with respect to our shares generally will be qualified dividend income. However, see the discussion under "Passive foreign investment company" below. Absent new legislation extending current rates, dividends

paid in taxable years beginning on or after January 1, 2011 will be subject to ordinary income tax rates.

You must include any Australian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is ordinary income that you must include in income when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. The amount of the dividend distribution that you must include in your income as a US holder will be the US dollar value of the Australian dollar payments made, determined at the spot Australian dollar/US dollar rate on the date the dividend distribution is included in your income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income from sources within the US for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in your ordinary shares and thereafter as capital gain.

Subject to certain limitations, the Australian tax withheld in accordance with the Tax Treaty and paid over to Australia will be creditable against your US federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum long-term capital gain 15% rate.

Dividends will be income from sources outside the US. Under the foreign tax credit rules, dividends paid in taxable years beginning before January 1, 2007, with certain exceptions, will be “passive” or “financial services” income, but dividends paid in taxable years beginning after December 31, 2006 will, depending on your circumstances, be “passive” or “general” income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit.

Taxation of capital gains

Subject to the discussion below under “Passive foreign investment company,” if you are a US holder and you sell or otherwise dispose of your ordinary shares or ADSs, you will recognize capital gain or loss for US federal income tax purposes equal to the difference between the US dollar value of the amount that you realize and your tax basis, determined in US dollars, in your ordinary shares or ADSs. Capital gain of a non-corporate US holder that is recognized before January 1, 2011 is generally taxed at preferential rates where the holder has a holding period greater than one year. There are limitations on the deductibility of capital losses.

Passive foreign investment company

Special US federal income tax rules apply to US holders owning shares of a PFIC. We believe that we were not a PFIC for US federal income tax purposes in any prior taxable year and that we will not be classified as a PFIC for the current taxable year, but we cannot be certain whether we will be treated as a PFIC for the current year or any future taxable year. We will generally be considered a PFIC for any taxable year if either (i) at least 75% of our gross income is passive income (the “Income Test”), or (ii) at least 50% of the value of our assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “Asset Test”). For this purpose, passive income generally includes dividends, interest, royalties, rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person), annuities and gains from assets that produce passive income. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

We must make a separate determination each year as to whether we are a PFIC. As a result, it is possible that our PFIC status will change. In particular, our PFIC status under the Asset Test will generally be determined by using the market price of our ADSs and ordinary shares, which is likely to fluctuate over time, to calculate the total value of our assets. Accordingly, fluctuations in the market price of the ADSs or ordinary shares may result in our being a PFIC. If we are classified as a PFIC for any year during which you hold ADSs or ordinary shares, we will generally continue to be treated as a PFIC for all succeeding years during which you hold ADSs or ordinary shares. However, if we cease to be a PFIC under the Income Test and the Asset Test, you may make certain elections, including the "mark-to-market" election as discussed below, to avoid PFIC status on a going-forward basis.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to (i) any "excess distribution" that you receive and (ii) any gain you realize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a "mark-to-market" election. Excess distributions are generally defined as distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares. Under these special tax rules: (i) the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares, (ii) the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and (iii) the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year. The entire amount of any gain realized upon the sale or other disposition will be treated as an excess distribution made in the year of sale or other disposition and as a consequence will be treated as ordinary income and, to the extent allocated to years prior to the year of sale or disposition with respect to which we were a PFIC, will be subject to the interest charge described above. The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

Alternatively, a US holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election for such stock of a PFIC to elect out of the tax treatment discussed above. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under "Taxation of dividends" would not apply.

The mark-to-market election is available only for "marketable stock," which is generally stock

that is traded on a qualified exchange or other market. We have listed our ordinary shares and ADSs on the New York Stock Exchange. We believe that the New York Stock Exchange will constitute a qualified exchange or other market for this purpose. However, no assurances can be provided that our ordinary shares and ADSs will continue to trade on the New York Stock Exchange or that they will be regularly traded for this purpose.

If a non-US corporation is a PFIC, a holder of shares in that corporation may elect out of the general PFIC rules discussed above by making a qualified electing fund, or QEF, election to include its pro rata share of the corporation's income on a current basis. You may make a QEF election with respect to us only if we agree to furnish you annually with certain tax information. However, if you hold ADSs or ordinary shares in any year in which we are a PFIC, you will be required to file Internal Revenue Service Form 8621 regarding distributions you receive on the ADSs or ordinary shares, and any gain realized on the disposition of the ADSs or ordinary shares.

The rules applicable to owning shares of a PFIC are complex, and each US holder should consult with its own tax advisor regarding the consequences of investing in a PFIC.

Information reporting and backup withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares may be subject to information reporting to the Internal Revenue Service and possible US backup withholding at a current rate of 28%, unless the conditions of an applicable exception are satisfied. Backup withholding will not apply to a US holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. US holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. US holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Payments to Non-US holders of distributions on, or proceeds from the disposition of, ordinary shares are generally exempt from information reporting and backup withholding. However, a Non-US holder may be required to establish that exemption by providing certification of non-US status on an appropriate Internal Revenue Service Form W-8.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file or furnish reports and other information with the SEC. Copies of reports and other information, when so filed, may be inspected without charge and may

be obtained at prescribed rates at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The public may also view our annual reports and other documents filed with the SEC on the internet at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions in Section 16 of the Exchange Act.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, our activities result in exposure to a number of financial risks, including market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. Our overall financial risk management strategy seeks to mitigate these risks and reduce volatility on our financial performance. Refer to Note 2 of the consolidated financial statements included in Item 18 of this annual report for detailed information on our financial and capital risk management.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The Bank of New York Mellon, as depositary, has agreed to reimburse us for expenses we incur that are related to the administration and maintenance of the ADS program, including, but not limited to, investor relations expenses, the annual NYSE listing fees or any other program related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement is not necessarily tied to the amount of fees the depositary collects from investors. During calendar year 2009, the depositary reimbursed us in the amount of US$98,062.

The fees and charges payable by holders of our ADSs include the following:

- a fee not in excess of US $5 per 100 ADSs for the execution and delivery of receipts and the surrender of receipts;
- a fee not in excess of US $0.01 per ADS for each cash distribution pursuant to the deposit agreement; and

- a fee for the distribution of the deposited securities pursuant to the deposit agreement, such fee being an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities, but which securities were instead distributed by the depositary to ADR holders.

Additionally, under the terms of our deposit agreement, the depositary is entitled to charge each registered holder the following:

- taxes and other governmental charges incurred by the depositary or the custodian on any ADS or an equity share underlying any ADS;
- transfer or registration fees for the registration or transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities, including those of a central depository for securities (where applicable);
- any cable, telex, facsimile transmission and delivery expenses incurred by the depositary; and
- customary expenses incurred by the depositary in the conversion of foreign currency, including, without limitation, expenses incurred on behalf of registered holders in connection with compliance with foreign exchange control restrictions and other applicable regulatory requirements.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Group Chief Executive Officer and Group Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2010. Based on this evaluation, our Group Chief Executive Officer and Group Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Group Chief Executive Officer and Group Chief Financial Officer, to allow timely discussions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with IFRS as issued by the IASB.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our Group Chief Executive Officer and Group Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of June 30, 2010. The effectiveness of our internal control over financial reporting as of June 30, 2010 has been audited by PricewaterhouseCoopers, an independent registered public accounting firm, as stated in its report which is included herein on page F-1.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the fiscal year ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

The Board has determined that each of Geoffrey Brunsdon, J. Michael Feeney and Gerald E. Morris are an “audit committee financial expert” as defined in Item 16A of Form 20-F. All members of the RAC are an “independent director” as defined in Section 303A.02 of the NYSE’s Listed Company Manual.

Item 16B. Code of Ethics

Code of Conduct

Our Code of Conduct applies to all directors, officers and employees. It underpins our commitment to integrity, fair dealing and compliance with the law in its business affairs, and sets out expected standards of conduct with respect to all stakeholders, including fellow employees, customers, suppliers, shareholders and the community. The Code of Conduct is designed to encourage ethical and appropriate behavior by all of our personnel, and addresses a wide range of responsibilities to stakeholders, including conflicts of interest, security of information, use of our assets and resources, discrimination and harassment, occupational health and safety, and the prohibition of corrupt conduct and the consequences in the event thereof.

The Code of Conduct encourages employees to raise any matters of concern without fear of retribution. We have implemented the Sims Metal Management Limited Ethics & Compliance Hotline to enable employees to report serious misconduct or unethical behavior to an external third party. We also conduct employee education and compliance programs on a regular basis to help ensure compliance with various laws around the world. The Code of Conduct is available on our website at www.simsmm.com, under Corporate Governance.

Anti-corruption Code

In addition to the Code of Conduct, we have adopted an Anti-corruption Code which has been developed to aid our employees, agents, contractors, consultants and partners in ensuring that they

comply at all times with applicable anti-corruption laws and policies. Among other matters, the Anti-corruption Code sets out our policy in relation to conflicts of interests, gifts and hospitality, relationships with governments and political contributions. The Anti-corruption Code is available on our website at www.simsmm.com, under Corporate Governance.

Dealing in Sims Metal Management Limited Securities

Directors and employees are bound by our policy on dealing in the securities of the Company. Under the policy, directors, senior executives and other designated persons may only buy or sell our securities during the period from 24 hours to 28 days after the release of our yearly, half-yearly or quarterly results announcements or during such period following the conclusion of the annual general meeting, or during the currency of any capital raising prospectus issued by us or a takeover bid for us, or otherwise in accordance with a properly qualified sale plan that is validly established under Rule 10b5-1 of the Securities Exchange Act of 1934. Our policy titled "Dealing in Sims Metal Management Limited Securities" is available on our website at www.simsmm.com, under Corporate Governance.

Item 16C. Principal Accountant Fees and Services

The remuneration of our independent auditors (PricewaterhouseCoopers) for the last two fiscal years, including audit fees, audit related fees, tax fees and all other fees, is set forth in Note 26 of the consolidated financial statements included in Item 18 of this annual report.

Pre-Approval Policies and Procedures

The general authority to pre-approve the engagement of our independent auditors to render non-audit services is under the purview of our RAC. Accordingly, the RAC has established pre-approval procedures to control the provision of all audit and non-audit services by our independent auditors (the "Pre-Approval Policy"). Under the Pre-Approval Policy, the engagement of our independent auditors to provide audit and non-audit services, including tax-related services, must be pre-approved by the RAC, either in the form of a special approval or through the inclusion of the services in question in a list adopted by the RAC of pre-approved services. The Pre-Approval Policy is detailed as to the particular services to be provided. All non-audit services provided by our independent auditors in fiscal 2010 were approved in accordance with the Pre-Approval Policy.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Under the NYSE's corporate governance standards as codified under Section 303A of the NYSE Listed Company Manual, or the NYSE listing rules, foreign private issuers, such as Sims, are permitted to follow home country practice in lieu of the NYSE listing rules, except for the rule regarding compliance with Rule 10A-3 of the Exchange Act and certain certification requirements contained in the NYSE listing rules. Also, the NYSE listing rules require that foreign private issuers disclose any significant

ways in which their corporate governance practices differ from those followed by listed domestic companies under the NYSE listing rules. Such significant differences are described below.

Following a comparison of our corporate governance practices with the requirements of the NYSE listing rules, the following significant differences were identified:

- the Nomination/Governance Committee is not composed entirely of independent directors.
- the Nomination/Governance Committee Charter does not include a mandate to:
  - develop and recommend to the Board a set of corporate governance principles applicable to the corporation (which is largely a Board function), though it does mandate the Nomination/Governance Committee to review our corporate governance procedures and any statement on corporate governance and recommend changes to the Board as appropriate;
  - select, or to recommend that the Board select, the director nominees for the next annual meeting of shareholders (this is governed by our constitution); or
  - oversee the evaluation of management (the Board undertakes an evaluation of the Group Chief Executive Officer, and the Group Chief Executive Officer evaluates other management).
- the Remuneration Committee charter does not:
  - include a mandate to review and approve the corporate goals and objectives relevant to Group Chief Executive Officer compensation, evaluate the Group Chief Executive Officer ’s performance in light of those goals and objectives and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Group Chief Executive Officer ’s compensation level based on this evaluation (these responsibilities rest with the Board, although the Committee’s charter does include a mandate to review and make recommendations to the Board on remuneration policies and practices for the Group Chief Executive Officer, and the remuneration and incentive performance package of the Group Chief Executive Officer, as well as overseeing the annual performance appraisal of the Group Chief Executive Officer);
  - specify the qualifications of its members or its reporting obligations to the Board;
  - include a mandate to report on executive officer compensation (such disclosure is made in the remuneration report in our annual report); or
  - give the Remuneration Committee sole authority to retain and terminate a search firm or to approve a consultant’s fees and other retention terms (although the Remuneration Committee is authorized to obtain professional advice on any matters within its charter).
- Shareholders are not provided the opportunity to vote on certain new equity compensation plans or material revisions to existing equity compensation plans, such as our Long Term Incentive Plan (as this is not obligatory under the Australian Securities Exchange Listing Rules).
- We have not published a set of corporate governance guidelines as set forth in Section 303A.09. However, we do provide information on corporate governance policies and practices as required by Australian Securities Exchange Listing Rules, which are available in our annual report and on our website. Specifically, we do not have corporate governance guidelines with respect to the procedure for how a director may access management, or director compensation information (however, such disclosure is made in the remuneration report in our annual report).

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The following consolidated financial statements are filed as part of this annual report:

Consolidated Financial Statements — Sims Metal Management Limited

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Consolidated Financial Statements — SA Recycling, LLC and Subsidiaries

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Item 19. Exhibits

Exhibit Index

Exhibit Number	Description
1.1	Constitution of the Registrant.
2.1	Form of Deposit Agreement among the Registrant, The Bank of New York, as the depositary, and all owners and holders from time to time of American Depositary Shares issued thereunder (incorporated by reference to Exhibit 4.1 on Form F-4/A filed on February 8, 2008).
2.2	Top-Up Deed, dated April 2, 2007, by and between the Registrant and Votraint No. 1652 Pty Limited (Mitsui) (incorporated by reference to Exhibit 4.2 on Form F-4 filed on November 28, 2007).
2.3	Amendment Deed, dated November 27, 2007, by and between the Registrant and Mitsui Raw Materials Development Pty Limited (incorporated by reference to Exhibit 4.3 on Form F-4 filed on November 28, 2007).
4.1	Agreement and Plan of Merger dated as of September 24, 2007, between and among the Registrant, MMI Acquisition Corporation and Metal Management, Inc. (incorporated by reference to Appendix A on Form F-4 filed on November 28, 2007).
4.2	Rules of the Dividend Reinvestment Plan (incorporated by reference to Exhibit 10.1 on Form F-4 filed on November 28, 2007).
4.3	Executive Long Term Incentive Plan Rules (incorporated by reference to Exhibit 10.2 on Form F-4 filed on November 28, 2007).
4.4	Long Term Incentive Plan Rules, as amended October 23, 2008 (incorporated by reference to Exhibit 4.5 on Form S-8 filed on January 23, 2009).
4.5	Sims Group Limited Transition Incentive Stock Plan (incorporated by reference to Exhibit 10.1 on Form S-8 filed on March 14, 2008).
4.6	Employment Agreement, dated January 8, 2007, by and between the Registrant and Graham Davy (incorporated by reference to Exhibit 10.9 on Form F-4 filed on November 28, 2007).
4.7	Deed of Release, dated August 26, 2009, by and between the Registrant and Jeremy Sutcliffe (incorporated by reference to Exhibit 4.8 on Form 20-F filed on November 12, 2009).
4.8	Employment Agreement, dated January 8, 2007, by and between the Registrant and Darron McGree (incorporated by reference to Exhibit 10.11 on Form F-4 filed on November 28, 2007).
4.9	Letter Agreement, dated September 24, 2007, by and between the Registrant and Robert C. Larry (incorporated by reference to Exhibit 10.12 on Form F-4 filed on November 28, 2007).
4.10	Letter Agreement, dated September 24, 2007, by and between the Registrant and Daniel W. Dienst (incorporated by reference to Exhibit 10.13 on Form F-4 filed on November 28, 2007).
4.11	Operating Agreement of SA Recycling LLC, dated as of September 1, 2007, by and between Adams Steel, LLC and Simsmetal West LLC (f/k/a Sims Hugo Neu West LLC) (incorporated by reference to Exhibit 10.14 on Form F-4/A filed on January 17, 2008).
4.12	Amendment and Restatement Deed, dated October 7, 2010, among Sims Metal Management Limited and certain of its affiliates and certain of HSBC Holdings plc's affiliates.
4.13•	Amended and Restated Multi Option Facility Agreement, dated December 3, 2003 (as amended and restated on December 6, 2005, June 26, 2008, November 2, 2009, May 12, 2010 and October 7, 2010), among Sims Metal Management Limited and certain of its affiliates and certain of HSBC Holdings plc's affiliates.
4.14•	Amended and Restated Multi Option Facility Agreement — Fee Letter from certain HSBC Holdings plc's affiliates to Sims Metal Management Limited, dated December 13, 2009.
4.15•	Multi-Option Facility Agreement dated November 2, 2009 among Commonwealth Bank of Australia, Sims Metal Management Limited, and its affiliates listed on Schedule 1 thereto as "Original Borrowers" (incorporated by reference to Exhibit 4.13 on Form 20-F/A filed on April 14, 2010).

Exhibit Number	Description
4.16	Common Terms Deed dated November 2, 2009 among Commonwealth Bank of Australia, Sims Metal Management Limited, and its affiliates listed on Parts 1 and 2 of Schedule 1 thereto as "Original Borrowers" and "Original Guarantors," respectively (incorporated by reference to Exhibit 4.14 on Form 20-F filed on November 12, 2009).
4.17	Group Limit Facility dated November 2, 2009 between, amongst others, Commonwealth Bank of Australia and Sims Metal Management Limited (incorporated by reference to Exhibit 4.15 on 20-F/A filed on April 14, 2010).
4.18•	Renewal Notice, dated November 27, 2009, from Commonwealth Bank of Australia to Sims Metal Management Limited.
4.19•	Multicurrency Revolving Floating Rate Cash Advance Facility, dated November 1, 2000, among Westpac Banking Corporation and Simsmetal Limited, Simsmetal Finance Limited, Simsmetal USA Corporation, Simsmetal UK Holdings Limited and Simsmetal UK Limited (collectively, the "Parties"); the Standard Terms, dated November 1, 2000, among the Parties; and the variations to such agreements (incorporated by reference to Exhibit 4.16 on Form 20-F/A filed on April 14, 2010).
4.20	Variation to Standard Terms dated as of November 2, 2009 by and among Westpac Banking Corporation, Sims Metal Management Limited and certain of its subsidiaries (including the Standard Terms in the Annexure thereto) (incorporated by reference to Exhibit 4.17 on Form 20-F/A filed on April 14, 2010).
4.21•	Variation to Multicurrency Cash Advance Facility, dated December 23, 2009, between Westpac Banking Corporation and Sims Metal Management Limited.
4.22•	Variation to Cash Advance Facility for Sims Group, dated July 20, 2010, between Westpac Banking Corporation and Sims Group Metal Management Limited.
4.23•	Amended and Restated Credit Agreement dated as of November 2, 2009 among Sims Group USA Holdings Corporation, certain of its affiliates identified therein as "Borrowers," and Bank of America, N.A. incorporated by reference to Exhibit 4.18 on Form 20-F/A filed on April 14, 2010).
4.24	Amended and Restated Deed Poll of Continuing Guaranty dated as of November 2, 2009 by Sims Metal Management Limited in favor of Bank of America, N.A. (incorporated by reference to Exhibit 4.19 on Form 20-F filed on November 12, 2009).
4.25•	First Amendment to Amended and Restated Credit Agreement, dated as of June 25, 2010, among Sims Group USA Holdings Corporation, certain of its affiliates identified therein as "Borrowers," and Bank of America, N.A.
4.26•	Multicurrency Revolving Floating Rate Cash Advance Facility — Letter of Offer, dated March 13, 2009, from National Australia Bank Limited to Sims Metal Management Limited.
4.27	Standard Terms, dated November 2, 2009, among National Australia Bank Limited, Sims Metal Management Limited and certain of its subsidiaries listed in Schedule 1.
4.28•	Letter from National Australia Bank Limited to Sims Metal Management Limited, dated May 3, 2010.
4.29	Letter Agreement, dated October 20, 2009, by and between the Registrant and Daniel W. Dienst.
8.1	List of subsidiaries.
12.1	Certification of Group Chief Executive Officer pursuant to Rule 13 (a) — 14(a) of the Securities Exchange Act of 1934.
12.2	Certification of Group Chief Financial Officer pursuant to Rule 13 (a) — 14(a) of the Securities Exchange Act of 1934.
13.1	Certification of Group Chief Executive Officer and Group Chief Financial Officer pursuant to Rule 13(a) — 14 (b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1	Consent of Independent Registered Public Accounting Firm to the incorporation of the audit report relating to Sims Metal Management Limited and effectiveness of internal control over financial reporting of Sims Metal Management Limited by reference in registration statements on Form S-8.
15.2	Consent of Independent Registered Public Accounting Firm to the incorporation of the audit report relating to SA Recycling LLC by reference in registration statements on Form S-8.

• Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission under Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The omitted confidential material has been filed separately with the Commission. The location of the confidential information is indicated in the exhibit with brackets and a bullet point ([•]).

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Sims Metal Management Limited

By: /s/ Frank M. Moratti
Frank M. Moratti
Company Secretary and General Counsel

Date: December 6, 2010

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Sims Metal Management Limited:

In our opinion, the accompanying consolidated balance sheets and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of changes in equity, and consolidated statements of cash flows present fairly, in all material respects, the financial position of Sims Metal Management Limited and its subsidiaries ("the Company") at 30 June 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended 30 June 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of 30 June 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included under the heading "Management's Report on Internal Control over Financial Reporting" in the accompanying Annual Report. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits (which were integrated audits in 2010 and 2009). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/S/ PricewaterhouseCoopers
Sydney, Australia
27 August 2010

CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 A$M	2009 A$M	2008 A$M
Revenue	5	**7,458.5**	8,641.0	7,670.5
Other income	6	**25.2**	33.7	55.7
Raw materials used and changes in inventories	10	**(5,344.3)**	(6,272.6)	(5,324.6)
Freight expense		**(716.0)**	(919.3)	(778.7)
Employee benefits expense		**(433.0)**	(592.4)	(404.9)
Depreciation and amortisation expense	7	**(143.9)**	(170.8)	(95.1)
Repairs and maintenance expense		**(111.7)**	(147.8)	(126.2)
Other expenses		**(538.4)**	(542.2)	(363.0)
Finance costs	7	**(16.4)**	(21.5)	(34.4)
Goodwill impairment charge	13	**—**	(191.1)	(3.3)
Share of pre-tax profit of investments accounted for using the equity method	29	**14.5**	60.8	64.6
Profit/(loss) before income tax		**194.5**	(122.2)	660.6
Income tax expense	8	**(67.8)**	(28.1)	(220.5)
Profit/(loss) for the year		**126.7**	(150.3)	440.1
		A¢	A¢	A¢
Earnings/(loss) per share:				
Basic	32	**64.9**	(82.5)	309.3
Diluted	32	**64.5**	(82.5)	306.3

The consolidated income statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 A$M	2009 A$M	2008 A$M
Profit/(loss) for the year		**126.7**	(150.3)	440.1
Other comprehensive (loss)/income				
Other financial assets	20	**(1.4)**	—	—
Cash flow hedge instruments	20	**(1.5)**	0.6	(14.3)
Exchange differences on translation of foreign operations	20	**(121.3)**	337.1	(130.8)
Actuarial losses on defined benefit plans	18(c)	**(3.8)**	(8.2)	(11.2)
Income tax on other comprehensive income	8	**2.1**	3.1	8.0
Other comprehensive (loss)/income for the year, net of tax		**(125.9)**	332.6	(148.3)
Total comprehensive income for the year		**0.8**	182.3	291.8

The consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	NOTE	2010 A$M	2009 A$M
Assets			
Current assets			
Cash and cash equivalents	33	**132.3**	69.5
Trade and other receivables	9	**576.2**	350.3
Current tax receivable		**—**	96.2
Inventory	10	**776.9**	469.2
Other financial assets		**8.7**	0.7
Total current assets		**1,494.1**	985.9
Non-current assets			
Receivables	9	**7.9**	17.6
Investments accounted for using the equity method	29	**369.5**	400.2
Other financial assets		**21.4**	—
Property, plant and equipment	12	**925.8**	947.7
Deferred tax assets	8	**74.1**	71.6
Goodwill	13	**1,151.7**	1,146.8
Other intangible assets	14	**195.2**	238.8
Total non-current assets		**2,745.6**	2,822.7
Total assets		**4,239.7**	3,808.6
Liabilities			
Current liabilities			
Trade and other payables	15	**614.2**	521.8
Borrowings	16	**0.6**	0.8
Other financial liabilities		**5.0**	10.5
Current tax liabilities		**23.2**	5.9
Provisions	17	**31.1**	38.0
Total current liabilities		**674.1**	577.0
Non-current liabilities			
Payables		**3.3**	4.3
Borrowings	16	**116.6**	174.3
Deferred tax liabilities	8	**133.7**	148.8
Provisions	17	**22.2**	34.0
Retirement benefit obligations	18	**11.0**	11.2
Total non-current liabilities		**286.8**	372.6
Total liabilities		**960.9**	949.6
Net assets		**3,278.8**	2,859.0
Equity			
Contributed equity	19	**2,795.2**	2,352.9
Reserves	20	**58.1**	166.0
Retained earnings	20	**425.5**	340.1
Total equity		**3,278.8**	2,859.0

The consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	CONTRIBUTED EQUITY A$M	RESERVES A$M	RETAINED EARNINGS A$M	TOTAL EQUITY A$M
Balance at 1 July 2007		812.0	(64.6)	424.7	1,172.1
Total comprehensive income for the year		—	(140.5)	432.3	291.8
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	21	—	—	(174.7)	(174.7)
Share-based payments		5.7	30.8	—	36.5
Acquisition of Metal Management Inc		1,490.1	—	—	1,490.1
Dividend Reinvestment Plan	21	18.1	—	—	18.1
		1,513.9	30.8	(174.7)	1,370.0
Balance at 30 June 2008		2,325.9	(174.3)	682.3	2,833.9
Total comprehensive income for the year		—	338.0	(155.7)	182.3
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	21	—	—	(186.5)	(186.5)
Share-based payments		0.4	2.3	—	2.7
Dividend Reinvestment Plan	21	26.6	—	—	26.6
		27.0	2.3	(186.5)	(157.2)
Balance at 30 June 2009		2,352.9	166.0	340.1	2,859.0
Total comprehensive income for the year		**—**	**(123.2)**	**124.0**	**0.8**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	21	**—**	**—**	**(38.6)**	**(38.6)**
Share-based payments		**0.5**	**15.3**	**—**	**15.8**
Issue of shares under Institutional Placement	19	**391.4**	**—**	**—**	**391.4**
Issue of shares under Share Purchase Plan	19	**41.2**	**—**	**—**	**41.2**
Dividend Reinvestment Plan	21	**9.2**	**—**	**—**	**9.2**
		442.3	**15.3**	**(38.6)**	**419.0**
Balance at 30 June 2010		**2,795.2**	**58.1**	**425.5**	**3,278.8**

The consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 A$M	2009 A$M	2008 A$M
Cash flows from operating activities				
Receipts from customers (inclusive of goods and services tax)		**7,230.3**	9,232.8	7,353.9
Payments to suppliers and employees (inclusive of goods and services tax)		**(7,305.1)**	(8,475.6)	(6,943.1)
Interest received		**2.8**	2.3	2.9
Interest paid		**(16.2)**	(20.9)	(34.4)
Dividends from associates and jointly controlled entities	29	**19.6**	41.5	5.1
Insurance recoveries		**1.0**	12.3	7.6
Income taxes refunded (paid)		**20.1**	(238.0)	(144.5)
Net cash (outflow)/inflow from operating activities	33	**(47.5)**	554.4	247.5
Cash flows from investing activities				
Payments for property, plant and equipment	12	**(120.9)**	(187.5)	(129.7)
Payments for acquisition of subsidiaries, net of cash acquired	27	**(113.4)**	(76.0)	(58.5)
Payments for other financial assets		**(22.8)**	—	—
Proceeds from sale of property, plant and equipment		**8.1**	5.5	2.0
Proceeds from sale of subsidiaries		—	39.7	—
Return of capital from jointly controlled entities	29	**0.4**	3.6	48.5
Net cash outflow from investing activities		**(248.6)**	(214.7)	(137.7)
Cash flows from financing activities				
Proceeds from borrowings		**3,009.9**	1,847.3	815.7
Repayment of borrowings		**(3,051.1)**	(2,112.6)	(678.3)
Fees paid for loan facilities		**(3.2)**	(2.0)	—
Proceeds from issue of shares		**441.9**	0.4	5.7
Transaction costs associated with issue of shares		**(8.8)**	—	—
Dividends paid	21	**(29.4)**	(159.9)	(156.6)
Net cash inflow/(outflow) from financing activities		**359.3**	(426.8)	(13.5)
Net increase/(decrease) in cash and cash equivalents		**63.2**	(87.1)	96.3
Cash and cash equivalents at the beginning of the financial year		**69.5**	133.5	38.6
Effects of exchange rate changes on cash and cash equivalents		**(0.4)**	23.1	(1.4)
Cash and cash equivalents at the end of the financial year	33	**132.3**	69.5	133.5

The consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are for the consolidated entity consisting of Sims Metal Management Limited (the "Company") and its subsidiaries (collectively, the "Group").

(A) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards, Urgent Issues Group Interpretations ("UIGI") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

COMPLIANCE WITH IFRS AS ISSUED BY THE IASB

The consolidated financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

HISTORICAL COST CONVENTION

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain derivative contracts, available-for-sale financial assets and post-retirement assets and liabilities. The Group's policy in respect of these items is set out in the notes below.

RECLASSIFICATIONS

Certain reclassifications have been made to prior period amounts to conform to the current period financial statement presentation with no significant impact effect on the previously reported consolidated financial statements. The Group reclassified legal provisions of A$16.2 million which were included within trade and other payables as at 30 June 2009 to current provisions to be consistent with the presentation as at 30 June 2010.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Australian Accounting Standards and IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

FINANCIAL STATEMENT PRESENTATION

The Group adopted revised AASB 101 (IAS 1) *Presentation of Financial Statements* on 1 July 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its consolidated financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(B) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(I) AASB 2009-5, *FURTHER AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM THE ANNUAL IMPROVEMENTS PROJECT (IMPROVEMENTS TO IFRS ISSUED IN APRIL 2009)*

Various accounting standards have been amended for minor changes in presentation, disclosure, recognition and measurement purposes. The amendments, which will become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the consolidated financial statements.

(II) AASB 2009-8 (AMENDMENT TO IFRS 2), *AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS — GROUP CASH-SETTLED SHARE-BASED PAYMENT TRANSACTIONS*

The amendments clarify the scope of AASB 2 (IFRS 2) as well as accounting for cash-settled (by the parent) share-based payment transactions in the separate or individual financial statements of a subsidiary receiving the goods or services when another subsidiary or shareholder has the obligation to settle the award. The amendments, which will become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the consolidated financial statements.

(III) AASB 124 (IAS 24) RELATED PARTY DISCLOSURES

A revised AASB 124 (IAS 24) was issued to primarily simplify the definition of a related party and clarify its intended meaning. The standard is effective for accounting periods beginning on or after 1 January 2011. The Group will apply the amended standard from 1 July 2011. The amendments are not expected to have a significant impact on the consolidated financial statements.

(IV) AASB 2009-14 (IFRIC 14) *AMENDMENTS TO AUSTRALIAN INTERPRETATIONS — PREPAYMENTS OF A MINIMUM FUNDING REQUIREMENT*

The amendments remove an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The amendments are effective for annual periods beginning on or after 1 January 2011, and must be applied retrospectively. The amendment is not expected to have a significant impact on the Group's consolidated financial statements. The Group intends to apply the amendment from 1 July 2011.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

(V) AASB 9 (IFRS 9) *FINANCIAL INSTRUMENTS*

AASB 9 (IFRS 9) addresses the classification and measurement of financial assets. This new standard represents the first phase of the AASB's (IASB's) project to replace AASB 139 (IAS 39) *Financial Instruments: Recognition and Measurement*. The new standard is effective for annual periods beginning on or after 1 January 2013 but is available for early adoption. AASB 9 (IFRS 9) introduces new requirements for classifying and measuring financial instruments, including:

- The replacement of the multiple classification and measurement models in AASB 139 (IAS 39) with a single model that has only two classification categories: amortised cost and fair value.
- The replacement of the requirement to separate embedded derivatives from financial assets with a requirement to classify a hybrid contract in its entity at either amortised cost or fair value.
- The replacement of the cost exemption for unquoted equities and derivatives on unquoted equities with guidance on when cost may be an appropriate estimate of fair value.

The Group has not yet completed its assessment of AASB 9 (IFRS 9).

(VI) AASB 2010-3 *AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM THE ANNUAL IMPROVEMENTS PROJECT* AND AASB 2010-4 *FURTHER AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM THE ANNUAL IMPROVEMENTS PROJECT (IASB IMPROVEMENTS TO IFRS ISSUED IN MAY 2010)*

The AASB has made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Group will apply the amendments from 1 July 2010. The Group has not yet completed its assessment of the amendments.

(C) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(II) ASSOCIATES

An associate is an entity, that is neither a subsidiary nor a joint venture, over whose operating and financial policies the Group exercises significant influence. Significant influence is presumed to exist where the Group has between 20% and 50% of the voting rights, but can also arise where the Group holds less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity. The Group's share of the net assets, post-tax results and reserves of associates are included in the financial statements using the equity method. This involves recording the investment initially at cost to the Group, which therefore includes any goodwill on acquisition, and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associate's results less any impairment of goodwill and any other changes to the associate's net assets such as dividends.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(III) JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the unanimous consent of the parties sharing control. In some situations, joint control exists even though the Group has an ownership interest of more than 50% because of the veto rights held by joint venture partners. The Group has two types of joint ventures:

Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venture has a long-term interest. Jointly controlled entities are accounted for using the equity method. In addition, for both associates and jointly controlled entities, the carrying value will include any long-term debt interests that in substance form part of the Group's net investment.

Joint venture operations

A joint venture operation is a joint venture in which the venturers have joint control over assets contributed to or acquired for the purpose of the joint venture. A joint venture operation does not involve the establishment of a corporation, partnership or other entity. This includes situations where the participants derive benefit from the joint activity through a share of the production, rather than by receiving a share of the results of trading. The Group's proportionate interest in the assets, liabilities, revenues, expenses and cash flows of joint venture operations are incorporated into the Group's financial statements under the appropriate headings.

(IV) CHANGES IN OWNERSHIP INTERESTS

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(V) CHANGE IN ACCOUNTING POLICY

The Group has changed its accounting policy for transactions with non-controlling interests and the accounting for loss of control, joint control or significant influence from 1 July 2009 when a revised AASB 127 (IAS 27) *Consolidated and Separate Financial Statements* became operative. The revisions to AASB 127 (IAS 27) contained consequential amendments to AASB 128 (IAS 28) *Investments in Associates* and AASB 131 (IAS 31) *Interests in Joint Ventures.*

Previously transactions with non-controlling interests were treated as transactions with parties external to the Group. Disposals therefore resulted in gains or losses in profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings. The revised standard affected the acquisition of a jointly controlled entity which is detailed in Note 29.

Previously when the Group ceased to have control, joint control or significant influence over an entity, the carrying amount of the investment at the date control, joint control or significant influence ceased became its cost for the purposes of subsequently accounting for the retained interests as associates, jointly controlled entity or financial assets.

The Group has applied the new policy prospectively to transactions occurring on or after 1 July 2009. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the consolidated financial statements.

(D) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred to the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets of the subsidiary acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

CHANGE IN ACCOUNTING POLICY

A revised AASB 3 (IFRS 3) *Business Combinations* became operative on 1 July 2009. Accordingly, while its adoption has no impact on previous acquisitions made by the Group, the revised standard has affected the accounting for the acquisitions disclosed in Note 27.

The revised standard introduces significant changes in the accounting for business combinations. Changes affect the valuation of non-controlling interests (previously "minority interests"), the accounting for transaction costs, the initial recognition and subsequent measurement of contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period when an acquisition occurs and future reported results.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars ("A$"), which is the Company's functional and presentation currency.

(II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(III) GROUP COMPANIES

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- statement of financial position items are translated at the closing rate at the date of that statement of financial position;
- income statement items and statement of comprehensive income items are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case they are translated at the date of the transaction); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, borrowings and other financial instruments designated as hedges of such investments, or borrowings that qualify as quasi-equity loans, are recognised in other comprehensive income. When a loss of control occurs over a foreign operation, a proportionate share of such exchange differences is reclassified to profit or loss as part of the gain or loss on disposal where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(F) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and trade allowances. Amounts billed to customers in respect of shipping and handling are classified as sales revenue where the Group is responsible for carriage, insurance and freight. All shipping and handling costs incurred by the Group are recognised as operating costs.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue is recognised for the major business activities as follows:

(I) SALE OF GOODS

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of goods to the customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(II) SERVICE REVENUE

Service revenue principally represents revenue earned from the collection of end-of-life post-consumer products for the purpose of product recycling. Service revenue is recognised when the services have been provided. Service revenue received in advance of the service being rendered is deferred.

(III) INTEREST INCOME

Interest income is recognised on a time proportion basis using the effective interest method.

(IV) DIVIDEND INCOME

Dividends are recognised when the right to receive payment is established.

(G) GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(H) INCOME TAX

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates provisions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Entities within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(I) LEASES

Leases of property, plant and equipment in which the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

(J) SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Chief Executive Officer ("CEO") who is the chief operating decision maker. Details on the Group's segments are set out in Note 4.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units "CGUs"). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

(L) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(M) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally due for settlement within 30 to 60 days following shipment, except in the case of ferrous shipments made to export destinations which are generally secured by letters of credit that are collected within 10 days of shipment.

Collectibility of trade receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectible are written-off by reducing the carrying amount directly. An allowance account (a provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Indicators of impairment would include significant financial difficulties of the debtor, likelihood of the debtor's insolvency, default or delinquency in payment or a significant deterioration in credit worthiness. The amount of the impairment provision is recognised in profit or loss within other expenses.

When a trade receivable for which an impairment provision had been recognised becomes uncollectible in a subsequent period, it is written-off against the provision for impairment account. Subsequent recoveries of amounts previously written-off are credited against other expenses in profit or loss.

(N) INVENTORY

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditures, the latter being allocated on the basis of normal operating capacity. Costs are assigned to inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores consist of consumable and maintenance stores and are valued at the lower of cost and net realisable value. Cost is determined using weighted average costs.

(O) NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in profit or loss.

(P) INVESTMENTS AND OTHER FINANCIAL ASSETS

CLASSIFICATION

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the consolidated statement of financial position.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the consolidated statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other category. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium-to long-term.

FINANCIAL ASSETS — RECLASSIFICATION

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

RECOGNITION AND DERECOGNITION

Regular purchases and sales of financial assets are recognised on the trade date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

SUBSEQUENT MEASUREMENT

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the right to receive payments is established.

Details on how the fair value of financial instruments is determined are disclosed in Note 2.

IMPAIRMENT

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(P) INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

IMPAIRMENT (CONTINUED)

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

(Q) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditures that are directly attributable to the acquisition and installation of the items. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost net of their residual values, over their estimated useful lives, as follows:

- Buildings — 25 to 40 years
- Plant and equipment — 3 to 20 years
- Leasehold improvements — lesser of life of asset or life of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as set out in Note 1(k). Gains and losses on disposals are determined by comparing proceeds with carrying amounts and recognised in profit or loss.

(R) DERIVATIVES AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: [i] hedges of the fair value of recognised assets or liabilities or a firm commitment ("fair value hedges"); or [ii] hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions ("cash flow hedges").

Certain derivative instruments do not qualify for hedge accounting, despite being valid economic hedges of the relevant risks. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses and are classified in the statement of financial position as a current asset or liability.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 11. Movements in the hedging reserve in equity are shown in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

(I) FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(II) CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within revenue.

Where the hedged item is the cost of a non-financial asset or liability, such as a forecast transaction for the purchase of property, plant and equipment, the amounts recognised within other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gains or losses that were deferred in equity are immediately transferred to profit or loss.

(S) GOODWILL AND INTANGIBLE ASSETS

(I) GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. Goodwill on acquisitions of associates is included in investments accounted for under the equity method. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(II) TRADE NAME

Trade name relates principally to the "Metal Management" trading name. This intangible asset has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the trade name over its estimated useful life, which is 20 years.

(III) SUPPLIER RELATIONSHIPS AND CONTRACTS

Supplier relationships and contracts acquired as part of a business combination are recognised separately from goodwill. The supplier relationships and contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the supplier relationships or straight-line method (as appropriate) over their estimated useful lives, which currently vary from 1 to 19 years.

(IV) PERMITS

Permits acquired as part of a business combination are recognised separately from goodwill. Permits are issued by state and local governments and are renewable at little or no cost and are thus considered to have an indefinite life. Permits are carried at their fair value at the date of acquisition and are not amortised. Instead, permits are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses. Permits that relate to facilities that close or relocate are written-off to nil at the time the facility is closed or relocated.

(T) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of a financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(U) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised to finance costs on a straight-line basis over the term of the loan facility.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(V) BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time required to complete and prepare the asset for its intended use. Other borrowing costs are recognised as expenses in the period in which they are incurred.

(W) PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[X] EMPLOYEE BENEFITS

[I] SALARIES AND ANNUAL LEAVE

Liabilities for salaries and annual leave expected to be settled within 12 months of the end of the period in which employees render the related service are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

[II] LONG SERVICE LEAVE

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period in which the employees render the related service. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

[III] SUPERANNUATION, PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The Group operates or participates in a number of pension (including superannuation) schemes throughout the world. The funding of the schemes complies with local regulations. The assets of the schemes are generally held separately from those of the Group and are administered by trustees or management boards.

For defined contribution schemes or schemes operated on an industry-wide basis where it is not possible to identify assets attributable to the participation by the Group's employees, the cost is calculated on the basis of contributions payable.

For defined benefit schemes, the cost of providing pensions is charged to profit or loss so as to recognise current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments or settlements, net of expected returns on plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. An asset or liability is consequently recognised in the statement of financial position based on the present value of the defined benefit obligation at the end of the reporting period, less any unrecognised past service costs and the fair value of plan assets at that date.

The present value of the defined benefit obligation is calculated by independent actuaries by discounting expected future payments using market yields at the reporting date on high quality corporate bonds in countries that have developed corporate bond markets. However, where developed corporate bond markets do not exist, the discount rates are selected by reference to national government bonds. In both instances, the bonds are selected with terms to maturity and currency that match, as closely as possible, the estimated future cash flows. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Details relating to retirement benefit obligations are set out in Note 18.

[IV] SHARE-BASED PAYMENTS

Share-based compensation benefits are provided to certain employees via the schemes set out in Note 24. For share-based arrangements, the fair value is measured at grant date and recognised as an employee benefit expense with a corresponding increase in equity. For cash-settled share-based arrangements, the fair value is measured at grant date and recognised as an employee benefit expense with a corresponding increase to a liability.

The fair value at grant date is independently determined using either a binomial model or a Monte-Carlo simulation model. The model takes into account the exercise price, the term, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the grant. The fair value is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, earnings per share targets). Non-market vesting conditions are included in assumptions about the number of shares that are expected to become exercisable. At the end of each reporting period, the Group revises its estimate of the number of shares that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

[V] TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits due more than 12 months after the end of the reporting period are discounted to present value.

(Y) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(Z) DIVIDENDS

A provision is made for the amount of any dividends declared on or before the end of the reporting period but not distributed at the end of the reporting period.

(AA) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(AB) GOODS AND SERVICES OR OTHER VALUE-ADDED TAXES (“GST”)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(AC) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Sims Metal Management Limited, disclosed in Note 31 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(I) INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE ENTITIES

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the Company. Dividends received from subsidiaries and associates are recognised in the Company’s profit or loss, rather than being deducted from the carrying amount of the investments.

(II) TAX CONSOLIDATION LEGISLATION

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Sims Metal Management Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities’ financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(III) FINANCIAL GUARANTEES

Where the Company has provided financial guarantees in relation to loans and payables of subsidiaries without compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(AD) ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars or as otherwise indicated.

NOTE 2 — FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group's activities expose it to the following financial risks:

- market risk (including interest rate risk, foreign exchange risk and commodity price risk);
- credit risk; and
- liquidity risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Group's overall financial risk management strategy seeks to mitigate these risks and minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in certain circumstances in accordance with Board of Directors ("Board") approved policies to hedge exposure to fluctuations in foreign exchange rates or commodity prices. Derivative financial instruments are used for hedging purposes and not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include monitoring key movements in interest rates, key transactions affected by foreign exchange and commodity prices, and ageing analysis for credit risk.

Risk management is carried out by a limited number of employees as authorised by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

The Risk, Audit & Compliance Committee ("RAC") of the Board oversees how management monitors compliance with the Group's risk management framework in relation to the risks faced by the Group. The RAC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the RAC.

(A) MARKET RISKS

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The market risks to which the Group is exposed are discussed in further detail below.

(I) INTEREST RATE RISK

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Group primarily borrows at variable interest rates. The Group does not use any derivative financial instruments to manage its exposure to interest rate risk. Cash deposits and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's borrowings are sourced primarily from domestic but also offshore markets. Some of the Group's borrowings consist of foreign currency denominated borrowings. The Group's regional operations can borrow in the currency of their geographic locations as all but one of the Group's facilities are multi-option/ currency facilities. The Group's borrowings are managed in accordance with targeted currency, interest rate, liquidity and debt portfolio maturity profiles.

Specifically, interest rate risk is managed on the Group's net debt portfolio by:

- providing access to diverse sources of funding;
- reducing risks of refinancing by establishing and managing in accordance with target maturity profiles; and
- negotiating interest rates with the Group's banks based on a variable pricing matrix which generally involves a LIBOR rate plus a margin.

The Group's weighted average interest rate on interest-bearing liabilities for the year ended 30 June 2010 was 2.1% (2009: 3.6%). If interest rates had increased by 100 basis points as at the balance date and with all other variables held constant, post-tax profit for the year ended 30 June 2010 would have been A$0.8 million lower (2009: A$1.1 million lower). A sensitivity of 100 basis points is deemed reasonable based on current and past market conditions. The calculations are based on interest-bearing financial instruments with variable interest rates at the end of the reporting period. A 100 basis points decrease in interest rates would have an equal and opposite effect.

(II) FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to transactions settled in US dollars. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The exposure of an entity to transaction risk is minimised by matching local currency income with local currency costs.

The Group seeks to denominate borrowings in the currencies of its principal assets and cash flows. These are primarily denominated in Australian dollars, US dollars, British pounds and Euros.

In accordance with Board approved policies, the Group enters into forward foreign exchange contracts to buy and sell specific amounts of various foreign currencies in the future at pre-determined exchange rates. The forward foreign exchange contracts are used to hedge transactions denominated in currencies which are not the functional currency of the relevant entity. These contracts are hedging highly probable forecasted transactions for the ensuing financial year. The contracts are timed to mature when monies from the forecasted sales are scheduled to be received or when payments for purchases are scheduled to be made. The Group does not hedge its exposure to recognised assets and liabilities.

Financial assets and liabilities

Financial assets and liabilities denominated in currencies other than the functional currency of an entity are periodically restated to their functional currency, and the associated gain or loss is taken to profit or loss. The table below shows the carrying amount of the Group's foreign currency denominated financial assets and liabilities at the end of the reporting period.

	NET FINANCIAL ASSETS/(LIABILITIES)	
CURRENCY:	2010 A$M	2009 A$M
US dollar	69.5	(58.3)
Euro	16.4	(57.5)
British pound	0.8	49.9

The table below shows the impact of a 10% appreciation of the relevant currency for the Group's net foreign currency denominated financial assets. A sensitivity of 10% has been selected as this is considered reasonable, given the current level of exchange rates and the volatility observed both on a historical basis and on market expectations for future movements.

	US DOLLAR		EURO		BRITISH POUND	
	2010 A$M	2009 A$M	2010 A$M	2009 A$M	2010 A$M	2009 A$M
Impact on post-tax profit — higher/(lower)	4.5	(3.8)	1.1	(3.7)	0.1	3.2
Impact on equity	36.1	28.2	—	—	9.9	—

A 10% depreciation of the relevant currency would have an equal and opposite effect.

Forward foreign exchange contracts

The table below shows the Group's sensitivity to foreign exchange rates on its forward foreign exchange contracts which are hedging future expected transactions. A sensitivity of 10% has been selected as this is considered reasonable, given the current level of exchange rates and the volatility observed both on a historical basis and on market expectations for future movements.

	US DOLLAR		EURO		BRITISH POUND	
	2010 A$M +/-	2009 A$M +/-	2010 A$M +/-	2009 A$M +/-	2010 A$M +/-	2009 A$M +/-
Impact on post-tax profit	1.2	—	—	—	—	3.3
Impact on equity	5.4	1.7	0.3	0.4	1.4	4.8

NOTE 2 — FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) MARKET RISKS (CONTINUED)

(II) FOREIGN EXCHANGE RISK (CONTINUED)

The financial statements for each of the Group's foreign operations are prepared in local currency, being their functional currency. For the purposes of preparing the Group's consolidated financial information, each foreign operation's financial statements are translated into Australian dollars using the applicable foreign exchange rates as at the balance date. A translation risk therefore exists on translating the financial statements of the Group's foreign operations into Australian dollars for the purposes of reporting consolidated financial information. As a result, volatility in foreign exchange rates can impact the Group's net assets, net profit and the foreign currency translation reserve.

(III) PRICE RISK

Commodity price risk

The Group is exposed to risks associated with fluctuations in the market price for both ferrous and non-ferrous metals and to a lesser extent precious metals which are at times volatile. The Group attempts to mitigate commodity price risk by seeking to turn its inventories quickly instead of holding inventories in anticipation of higher commodity prices. Where appropriate, the Group enters into forward commodity contracts matched to purchases or sales of metal and precious metal commitments.

The Group's normal policy is to sell its products at prevailing market prices. Exceptions to this rule are subject to limits and policies approved by the Board and to systems of internal controls and compliance monitoring. The Group's exposure to commodity prices is to an extent diversified by virtue of its broad commodity base.

At the end of the reporting period, none of the Group's forward commodity contracts qualified for hedge accounting, despite being valid economic hedges of the relevant risk. Accordingly, any movement in commodity rates that impact the fair value of these forward commodity contracts are recorded in profit or loss.

At the end of the reporting period, the Group's commodity contracts consisted primarily of copper and nickel contracts. The table below shows the carrying amount of the Group's copper and nickel commodity contracts at the end of the reporting period.

	NET FINANCIAL ASSETS/ (LIABILITIES)	
	2010 A$M	2009 A$M
Copper	0.7	(4.6)
Nickel	4.4	(4.8)

The following table shows the effect on post-tax profit from a 10% appreciation in commodity prices at the end of the reporting period based on the outstanding commodity contracts, with all other variables held constant. A 10% sensitivity has been selected as this is considered reasonable, given the current level of commodity prices and the volatility observed both on a historical basis and on market expectations for future movements.

	COPPER PRICES		NICKEL PRICE	
	2010 A$M	2009 A$M	2010 A$M	2009 A$M
Impact on post-tax profit — higher/(lower)	(2.7)	(4.5)	(2.4)	(0.4)

A 10% depreciation of the stated commodity prices would have an equal and opposite effect.

Equity securities price risk

The Group is exposed to equity securities price risk through investments in marketable securities. These marketable securities are listed securities which are publicly traded in major financial markets. The price risk for these investments is immaterial in terms of possible impact on profit or loss.

(B) CREDIT RISK

Credit risk is the risk that a counterparty will not complete its obligations under a financial instrument and cause a financial loss to the Group. The Group has exposure to credit risk on all financial assets included in the Group's statement of financial position.

The Group establishes credit limits for its customers. Trade and other receivables consist of a large number of customers, spread across the consumer, business and international sectors. The Group does not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of the Group's customers and, where appropriate, an impairment provision is raised. Generally, the Group does not insure itself against collection risks.

The Group is also exposed to credit risk arising from the Group's transactions in derivative contracts. For credit purposes, there is only a credit risk where the counterparty is liable to pay the Group in the event of a closeout. The Group has policies that limit the amount of credit exposure to any financial institution. Derivative counterparties and cash transactions are limited to financial institutions that have a minimum credit rating of A by either Standard & Poor's or Moody's. Management also monitors the current credit exposure with each counterparty. Any changes to counterparties or their credit limits must be approved by the Group Chief Financial Officer.

(C) LIQUIDITY RISKS

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities to meet obligations when they come due and the ability to close out market positions.

Liquidity risk includes the risk that, as a result of the Group's operational liquidity requirements:

- the Group will not have sufficient funds to settle a transaction on the due date;
- the Group will be forced to sell financial assets at a value which is less than what they are worth;
- the Group may be unable to settle or recover a financial asset at all;
- the Group may be required to refinance the Group's borrowing facilities; or
- the Group may have insufficient access to capital to fund growth projects or in extreme instances, its operations.

The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic and volatile nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties.

The Group has access to unsecured global multi-currency/multi-option loan facilities. Unsecured global multi-currency/multi-option loan facilities are provided by a number of the Group's bankers. The loan facilities are subject to annual review, in which pricing considerations are undertaken, and have maturities in excess of one-year and less than three-years.

NOTE 2 — FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) LIQUIDITY RISKS (CONTINUED)

The Group had access to the following credit standby arrangements at the balance date.

	2010 A$M	2009 A$M
Unsecured global multi-currency/multi-option loan facilities	**1,422.9**	1,063.0
Amount of credit unused	**1,276.0**	856.5

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2010			2009		
	LESS THAN 1YEAR A$M	BETWEEN 1 AND 2 YEARS A$M	BETWEEN 2 AND 5YEARS A$M	LESS THAN 1YEAR A$M	BETWEEN 1 AND 2 YEARS A$M	BETWEEN 2 AND 5YEARS A$M
Non-derivatives:						
Trade and other payables	**(614.2)**	**—**	**—**	(521.8)	—	—
Payables — non-current	**—**	**(0.9)**	**(2.4)**	—	(2.0)	(2.3)
Borrowings (including interest payments)	**(15.4)**	**(111.3)**	**(16.5)**	(9.6)	(177.9)	—
	(629.6)	**(112.2)**	**(18.9)**	(531.4)	(179.9)	(2.3)
Derivatives:						
Net settled (commodity contracts)	**(4.4)**	**—**	**—**	9.7	—	—
Gross settled:						
— (inflow)	**(274.4)**	**—**	**—**	(174.7)	—	—
— outflow	**278.7**	**—**	**—**	174.8	—	—
	(0.1)	**—**	**—**	9.8	—	—

For purposes of the above table, interest payments have been projected using interest rates applicable at the balance date on borrowings outstanding at the end of the reporting period. The Group's borrowings fluctuate and are subject to variable interest rates.

(D) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, the Group adopted the amendment to AASB 7 (IFRS 7) *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly [as prices] or indirectly (derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and financial liabilities measured at fair value in the statement of financial position in accordance with the fair value measurement hierarchy. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

	LEVEL 1 A$M	LEVEL 2 A$M	LEVEL 3 A$M	TOTAL A$M
Assets				
Other current financial assets	**8.3**	**0.4**	—	**8.7**
Other non-current financial assets	**21.4**	**—**	**—**	**21.4**
Total Assets	**29.7**	**0.4**	—	**30.1**
Liabilities				
Other current financial liabilities	**0.3**	**4.7**	**—**	**5.0**
Total Liabilities	**0.3**	**4.7**	—	**5.0**

Other financial assets include derivative financial instruments and marketable securities. Other financial liabilities represent derivative financial instruments. The fair value of commodity derivative financial instruments traded in active markets is based on the closing price at the reporting date. These derivatives are deemed to be level 1. The fair value of forward foreign exchange contracts is determined using the forward exchange market rates at the end of the reporting period. These derivative financial instruments are included in level 2. Marketable securities are comprised primarily of listed securities and mutual funds which are included in level 1.

NOTE 3 — CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the consolidated financial statements.

(A) INVENTORIES

The Group's inventories primarily consist of ferrous and non-ferrous scrap metals. Quantities of inventories are determined based on various inventory systems used by the Group and are subject to periodic physical verification using estimation techniques, including observation, weighing and other industry methods. Inventories are stated at the lower of cost and net realisable value, with due allowance for excess, obsolete or slow moving items. Net realisable value is based on current assessments of future demand and market conditions. Impairment losses may be recognised on inventory within the next financial year if management needs to revise its estimates in response to changing market conditions.

(B) TAXATION

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from unused tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profit.

Assumptions about the generation of future taxable profit depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred income tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the profit or loss.

(C) IMPAIRMENT OF GOODWILL AND INTANGIBLES WITH INDEFINITE USEFUL LIVES

Annually, the Group tests whether goodwill and intangibles with indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note 1(s). For goodwill impairment testing, the recoverable amounts of the CGUs have been determined based on either value-in-use or fair value less costs to sell calculations. These calculations require the use of assumptions. Refer to Note 13 for details of these assumptions and the potential impact of changes to the assumptions.

(D) SHARE-BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date of grant. The fair value is determined independently using a binomial model or a Monte-Carlo simulation model, using the assumptions detailed in Note 24. The accounting estimates and assumptions relating to equity-settled share-based payments (i.e. in relation to the assessments of the probability of achieving non-market based vesting conditions) would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(E) DEFINED BENEFIT PLANS

Various actuarial assumptions are required when determining the Group's pension schemes. These assumptions and the related carrying amounts are disclosed in Note 18.

(F) ESTIMATION OF USEFUL LIVES OF ASSETS

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTE 4 — SEGMENT INFORMATION

(A) DESCRIPTION OF SEGMENTS

The Group is principally organised geographically and then by line of business. While the CEO evaluates results in a number of different ways, the geographical areas of operation is the primary basis for which the allocations of resources and financial results are assessed. The major geographic areas of operations are as follows:

- North America — comprising the United States of America and Canada.
- Australasia — comprising Australia, New Zealand, Papua New Guinea, India, Singapore, Hong Kong and South Africa.
- Europe — comprising the United Kingdom, Sweden, the Netherlands and Germany.

The Group also reports revenues by the following product groups:

- Ferrous secondary recycling — comprising the collection, processing and trading of iron and steel secondary raw material.
- Non-ferrous secondary recycling — comprising the collection, processing and trading of other metal alloys and residues, principally aluminium, lead, copper, zinc and nickel bearing materials.
- Secondary processing — comprising value-added processes involving the melting, refining and ingoting of certain non-ferrous metals and the reclamation and reprocessing of plastics.
- Recycling solutions — comprising the provision of environmentally responsible solutions for the disposal of post-consumer electronic products, including IT assets recycled for commercial customers. The Group offers fee-for-service business opportunities in the environmentally responsible recycling of negative value materials including refrigerators, electrical and electronic equipment.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit before income tax since 30 June 2009.

(B) INFORMATION ABOUT REPORTABLE SEGMENTS

	NORTH AMERICA A$M	AUSTRALASIA A$M	EUROPE A$M	A$M
2010				
Total sales revenue	**5,040.0**	**1,221.3**	**1,191.3**	**7,452.6**
Other revenue/income	**1.8**	**3.8**	**0.3**	**5.9**
Total segment revenue	**5,041.8**	**1,225.1**	**1,191.6**	**7,458.5**
Segment EBIT	**80.3**	**61.2**	**66.6**	**208.1**
Interest income				**2.8**
Finance costs				**(16.4)**
Profit before income tax				**194.5**
Segment total assets	**3,032.3**	**562.8**	**644.6**	**4,239.7**
Segment total liabilities	**532.0**	**222.9**	**206.0**	**960.9**
Net assets	**2,500.3**	**339.9**	**438.6**	**3,278.8**
Other items:				
Depreciation and amortisation expense	**97.4**	**21.2**	**25.3**	**143.9**
Share of pre-tax profit of investments accounted for using the equity method	**10.1**	**4.4**	—	**14.5**
Investments in associates and jointly controlled entities	**348.9**	**20.6**	—	**369.5**
Acquisitions of property, plant and equipment	**67.6**	**21.7**	**31.6**	**120.9**
Impairment charge/(reversal):				
Property, plant and equipment	**15.8**	**(1.3)**	—	**14.5**
Intangible assets	**0.9**	**—**	—	**0.9**
	16.7	**(1.3)**	—	**15.4**

	NORTH AMERICA A$M	AUSTRALASIA A$M	EUROPE A$M	A$M
2009				
Total sales revenue	6,368.5	1,158.6	1,109.1	8,636.2
Other revenue/income	2.8	1.5	0.5	4.8
Total segment revenue	6,371.3	1,160.1	1,109.6	8,641.0
Segment EBIT	(88.6)	18.7	(33.1)	(103.0)
Interest income				2.3
Finance costs				(21.5)
Loss before income tax				(122.2)
Segment total assets	2,770.0	485.5	553.1	3,808.6
Segment total liabilities	465.9	175.5	308.2	949.6
Net assets	2,304.1	310.0	244.9	2,859.0
Other items:				
Depreciation and amortisation expense	122.7	21.4	26.7	170.8
Share of pre-tax profit of investments accounted for using the equity method	55.2	5.6	—	60.8
Investments in associates and jointly controlled entities	381.1	19.1	—	400.2
Acquisitions of property, plant and equipment	106.4	39.8	41.3	187.5
Impairment charge:				
Property, plant and equipment	7.6	2.4	—	10.0
Goodwill	190.2	0.9	—	191.1
	197.8	3.3	—	201.1

NOTE 4 — SEGMENT INFORMATION (CONTINUED)

(B) INFORMATION ABOUT REPORTABLE SEGMENTS (CONTINUED)

	NORTH AMERICA A$M	AUSTRALASIA A$M	EUROPE A$M	A$M
2008				
Total sales revenue	4,607.9	1,745.1	1,312.5	7,665.5
Other revenue/income	2.3	1.2	1.5	5.0
Total segment revenue	4,610.2	1,746.3	1,314.0	7,670.5
Segment EBIT	415.7	182.4	94.0	692.1
Interest income				2.9
Finance costs				(34.4)
Profit before income tax				660.6
Segment total assets	3,372.1	597.2	677.2	4,646.5
Segment total liabilities	767.4	526.9	518.3	1,812.6
Net assets	2,604.7	70.3	158.9	2,833.9
Other items:				
Depreciation and amortisation expense	55.7	16.6	22.8	95.1
Share of pre-tax profit of investments accounted for using the equity method	60.3	4.3	—	64.6
Investments in associates and jointly controlled entities	318.1	14.1	—	332.2
Acquisitions of property, plant and equipment	59.9	32.7	37.1	129.7
Impairment charge:				
Property, plant and equipment	—	—	0.1	0.1
Goodwill	—	3.3	—	3.3
	—	3.3	0.1	3.4

(C) SALES TO EXTERNAL CUSTOMERS

	2010 A$M	2009 A$M	2008 A$M
Australia	**505.3**	475.8	773.0
China	**1,189.1**	1,320.6	600.1
Malaysia	**362.4**	449.1	664.0
USA	**1,966.4**	2,045.9	1,175.4
Turkey	**843.3**	1,352.9	1,072.7
South Korea	**660.5**	643.5	412.1
Other	**1,925.6**	2,348.4	2,968.2
	7,452.6	8,636.2	7,665.5

(D) INTERSEGMENT SALES

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an “arm’s-length” basis and are eliminated on consolidation.

(E) REVENUE BY PRODUCT

	2010 A$M	2009 A$M	2008 A$M
Ferrous metal recycling	**5,071.2**	6,642.7	5,421.1
Non-ferrous metal recycling	**1,525.5**	1,193.4	1,324.1
Secondary processing	**198.5**	221.6	361.1
Recycling solutions	**657.4**	578.5	559.2
	7,452.6	8,636.2	7,665.5

(F) MATERIAL NON-CURRENT ASSETS

Material non-current assets (excluding financial assets and deferred tax assets) are held in the following countries:

	2010 A$M	2009 A$M
Australia	193.3	189.1
USA	2,153.5	2,238.4
United Kingdom	160.8	170.6
Benelux	50.8	65.2
Germany	42.1	44.7
Canada	32.5	23.2
New Zealand	7.1	7.8
Other	10.0	12.1
	2,650.1	2,751.1

NOTE 5 — REVENUE

	2010 A$M	2009 A$M	2008 A$M
Sales of goods	7,391.9	8,417.4	7,517.2
Service revenue	60.7	218.8	148.3
Total sales revenue	7,452.6	8,636.2	7,665.5
Interest income	2.8	2.3	2.9
Rental income	3.1	2.5	2.1
Total other revenue	5.9	4.8	5.0
	7,458.5	8,641.0	7,670.5

NOTE 6 — OTHER INCOME

	2010 A$M	2009 A$M	2008 A$M
Remeasurement at fair value of existing interest in Port Albany Ventures LLC (“Port Albany”) (Note 29c)	8.7	—	—
Net gain on held for trading derivatives	7.0	29.8	3.9
Net gain on revaluation of financial assets at fair value through profit or loss	0.4	—	—
Government grants	0.7	0.8	0.9
Net foreign exchange gain	—	—	0.3
Insurance recovery	1.0	1.8	11.8
Net gain on disposal of property, plant and equipment	3.0	0.9	—
Negative goodwill on acquisition	—	0.4	—
Net gain on contribution of assets to SA Recycling LLC (Note 29d)	—	—	38.8
Other	4.4	—	—
	25.2	33.7	55.7

NOTE 7 — EXPENSES

	2010 A$M	2009 A$M	2008 A$M
(A) PROFIT/(LOSS) BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Depreciation and amortisation:			
Depreciation expense	**109.1**	120.7	65.8
Amortisation expense	**34.8**	50.1	29.3
	143.9	170.8	95.1
Finance costs	**16.4**	21.5	34.4
Net loss on disposal of property, plant and equipment	**—**	—	1.9
Net loss on held for trading derivatives	**15.4**	10.3	—
Rental expenses relating to operating leases	**60.1**	71.7	43.9
Net foreign exchange loss	**15.6**	—	—
Defined contribution superannuation expense	**4.1**	8.0	6.3
Share-based payments expense	**17.0**	9.3	13.4
(B) PROFIT/(LOSS) BEFORE INCOME TAX INCLUDES THE FOLLOWING EXPENSES WHICH ARE INCLUDED DUE TO THEIR SIZE OR NATURE:			
Write-down of inventory to net realisable value	**18.5**	119.4	—
Sarbanes-Oxley related professional fees[1]	**—**	9.7	—
Withdrawal liability related to a multi-employer pension plan[2]	**—**	3.4	—
Impairment provisions for trade receivables[3]	**1.2**	23.7	0.6
Professional fees and other costs incurred in connection with Fairless Iron 8 Metal acquisition[4]	**(0.8)**	2.5	—
Loss on sale of subsidiaries	—	2.6	—
Impairment loss on fire destroyed assets	—	—	0.1
Impairment of property, plant and equipment and yard closure costs[5]	**14.5**	13.7	4.6
Intangible asset impairments[6]	**0.9**	—	—
Impairment of jointly controlled entity (Note 29)[7]	**5.7**	—	—
Merger costs[8]	—	4.0	1.4
Redundancies	**5.7**	5.5	5.6

1 In 2009, the Group was required to implement and comply with Section 404 of the Sarbanes-Oxley Act of 2002 (United States). Professional fees incurred in the first year of Sarbanes-Oxley implementation are much higher and thus listed above. No amount is provided for 2010 as the primary professional fees are inseparable and included in the overall statutory audit fee disclosed in Note 26.

2 Represents a termination liability associated with the withdrawal from a multi-employer pension plan in the United States.

3 Represents provisions recorded for trade debtors for which the Group believes collectability is in doubt. Refer to Note 1(m).

4 In 2009, the Group incurred transaction costs associated with the acquisition of Fairless Iron & Metal which was completed in 2010 (3 July 2009).

In 2009, the Group applied the transitional principles consistent with the revised AASB 3 (IFRS 3) whereby transaction costs are expensed for all acquisitions prospectively from 1 July 2009. The amount in 2010 represents the reversal of accrued costs which were settled for a lower amount.

5 In 2010, impairments on property, plant and equipment were recognised for the write-down of processing equipment located in idled yards (A$15.8 million) offset by the reversal of previously recognised processing equipment impairments (A$1.3 million). In 2009, the impact of the global financial crisis on the Group resulted in impairment charges for asset rationalisation, asset retirement and idling of certain yards. In 2008, impairments on property, plant and equipment were recognised for assets held by non-core businesses which were being considered for disposal.

6 Represents the write-off of permits which the Group determined had no value.

7 Represents an impairment of the Group's investment in Metal Management Nashville LLC. The jointly controlled entity operates in a very competitive market which has impacted its financial performance resulting in the impairment charge.

8 Merger costs include integration bonuses, retention incentives and other costs associated with the post-merger rationalisation of the Sims Metal Management Limited and Metal Management businesses.

NOTE 8 — INCOME TAX AND DEFERRED TAX

	2010 A$M	2009 A$M	2008 A$M
(A) INCOME TAX EXPENSE			
Current income tax charge	**69.7**	27.5	217.1
Adjustments for prior years	**5.6**	(10.3)	5.4
Deferred income tax	**(9.9)**	8.3	(6.2)
	65.4	25.5	216.3
Income tax expense on equity accounted profit (Note 29)	**2.4**	2.6	4.2
Income tax expense	**67.8**	28.1	220.5
Deferred income tax expense included in income tax expense comprises:			
(Increase)/decrease in deferred tax assets	**(4.9)**	15.5	10.0
(Decrease)/increase in deferred tax liabilities	**(5.0)**	(7.2)	(16.2)
	(9.9)	8.3	(6.2)
(B) RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE			
Profit/(loss) before income tax	**194.5**	(122.2)	660.6
Tax at the standard Australian rate of 30%	**58.4**	(36.7)	198.2
Adjustments for prior years	**5.6**	(10.3)	5.4
Effect of tax rates in other jurisdictions	**2.4**	12.0	34.4
Non-deductible expenses	**6.1**	3.5	3.6
Non-assessable gain on formation of jointly controlled entity	**—**	—	(13.0)
Non-assessable gain on acquisition of a remaining interest in a jointly controlled entity	**(2.6)**	—	—
Non-assessable income	**(2.5)**	(1.1)	(6.5)
Non-deductible goodwill impairment	**—**	57.2	—
Prior year tax loss not previously recognised	**(1.7)**	—	(0.1)
Other	**2.1**	3.5	(1.5)
Income tax expense	**67.8**	28.1	220.5
(C)AMOUNTS RECOGNISED DIRECTLY TO EQUITY			
Share placement costs	**(1.3)**	—	—
Share-based payments	**1.6**	7.7	(6.9)
Exchange gain/(loss) on foreign denominated intercompany loans	**(4.6)**	20.4	(14.4)
Total deferred tax debited/(credited) to equity	**(4.3)**	28.1	(21.3)
(D) TAX BENEFIT RELATING TO OTHER COMPREHENSIVE INCOME			
Cash flow hedges	**(0.4)**	(0.4)	(4.6)
Other financial assets	**(0.6)**	—	—
Defined benefit plans	**(1.1)**	(2.7)	(3.4)
	(2.1)	(3.1)	(8.0)

NOTE 8 — INCOME TAX AND DEFERRED TAX (CONTINUED)

	2010 A$M	2009 A$M
(E) DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets		
The balance comprises temporary difference attributable to:		
(amounts recognised in profit or loss)		
Provisions and other accruals	**19.2**	22.2
Employee benefits	**11.0**	9.3
Stores and consumables	**7.0**	5.2
Property, plant and equipment	**5.6**	4.4
Jointly controlled entities and associates	**—**	1.1
Foreign exchange loss	**—**	2.0
Share-based payments	**3.4**	4.7
Other	**10.0**	11.1
	56.2	60.0
(amounts recognised directly in equity)		
Share-based payments	**1.0**	2.6
Defined benefit plans	**5.8**	4.7
Share placement costs	**1.3**	—
Exchange loss on foreign denominated intercompany loans	**8.9**	4.3
Cash flow hedges	**0.3**	—
Other financial assets	**0.6**	—
	17.9	11.6
Movements		
Balance at 1 July	**71.6**	110.0
Charged to income statement	**4.9**	(15.5)
Adjustments for prior years	**(3.3)**	8.6
Transfers to deferred tax liabilities	**(2.8)**	(17.2)
Acquisitions	**0.5**	—
Charged directly to equity and other comprehensive income	**5.4**	(26.1)
Foreign exchange differences	**(2.2)**	11.8
Balance at 30 June	**74.1**	71.6
Deferred tax assets expected to be recovered within 12 months	**44.0**	41.4
Deferred tax assets expected to be recovered after 12 months	**30.1**	30.2
	74.1	71.6
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
(amounts recognised in profit or loss)		
Intangibles	**52.9**	65.7
Property, plant and equipment	**66.9**	76.2
Stores and consumables	**3.1**	—
Jointly controlled entities and associates	**3.4**	—
Other	**7.4**	6.8
	133.7	148.7
(amounts recognised directly in equity)		
Cash flow hedges	**—**	0.1
	—	0.1
Movements		
Balance at 1 July	**148.8**	148.2
Charged to income statement	**(5.0)**	(7.2)
Adjustments for prior years	**1.6**	(3.2)
Transfers from deferred tax assets	**(2.8)**	(17.2)
Charged directly to equity and other comprehensive income	**(1.0)**	(1.1)
Acquisitions/disposals	**—**	0.9
Foreign exchange differences	**(7.9)**	28.4
Balance at 30 June	**133.7**	148.8
Deferred tax liabilities expected to be settled within 12 months	**17.8**	6.0
Deferred tax liabilities expected to be settled after 12 months	**115.9**	142.8
	133.7	148.8

(F) TAX LOSSES

Deferred tax assets are recognised for carried forward tax losses to the extent that realisation of the related tax benefit through future taxable profit is probable. As at 30 June 2010, the Group has unused tax losses (primarily for states in the United States) of A$87.7 million (2009: A$55.2 million) available for offset against future profit. A deferred tax asset has been recognised in respect of A$3.5 million (2009: A$2.2 million) of such losses.

The benefit of tax losses will only be obtained if (i) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised; (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

No deferred tax asset has been recognised in respect of the remaining unused tax losses of A$30.9 million (2009: A$39.9 million) due to the unpredictability of future profit streams in the relevant jurisdictions.

(G) UNRECOGNISED TEMPORARY DIFFERENCES

As at 30 June 2010, there were no unrecognised temporary differences associated with the Group's investments in subsidiaries, associates, or jointly controlled entities, as the Group has no liability for additional taxation should unremitted earnings be remitted.

(H) TAX CONSOLIDATION

Sims Metal Management Limited and its wholly-owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 November 2005. Sims Metal Management Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing and funding agreement that provides for the allocation of income tax liabilities between entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement on the basis that the probability of default is remote.

(I) TAX EFFECT ACCOUNTING BY MEMBERS OF THE AUSTRALIAN TAX CONSOLIDATED GROUP

Sims Metal Management Limited as the head entity and the controlled entities in the Australian tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) assumed from controlled entities in the Australian tax consolidated group.

The amounts receivable or payable under the tax sharing agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

NOTE 9 — TRADE AND OTHER RECEIVABLES

	2010 A$M	2009 A$M
Current:		
Trade receivables	**485.4**	286.1
Provision for impairment of receivables	**(3.6)**	(9.0)
	481.8	277.1
Other receivables and deferred expenses	**76.6**	60.7
Prepayments	**17.8**	12.5
	94.4	73.2
	576.2	350.3
Non-current:		
Trade receivables	**3.8**	7.8
Other	**4.1**	9.8
	7.9	17.6

Occasionally, the Group will sell a portion of its trade receivables to third parties. All credit risk passes to the third party at the time of the assignment, such that the Group has no further exposure to default by the specific trade debtors. The amount of trade receivables sold to third parties was not significant in the periods presented. The third party is not obliged to accept offers of receivables and the Group is not obligated to make offers or pay commitment fees to the third party. The Group does not generally insure trade receivables.

(A) MOVEMENTS IN PROVISION FOR IMPAIRMENT OF RECEIVABLES

	2010 A$M	2009 A$M	2008 A$M
Balance at 1 July	**9.0**	0.9	1.8
Acquisitions	**—**	—	0.1
Provision for impairment recognised during the year	**1.2**	23.7	0.6
Receivables written-off during the year as uncollectible	**(5.9)**	(15.0)	(1.6)
Foreign exchange differences	**(0.7)**	(0.6)	—
Balance at 30 June	**3.6**	9.0	0.9

The creation and release of the provision for impaired receivables has been included in other expenses in profit or loss. Amounts charged to the allowance account are generally written-off when there is no expectation of recovering additional cash.

(B) PAST DUE BUT NOT IMPAIRED

As at 30 June 2010, receivables of A$96.3 million (2009: A$83.5 million) were past due but not impaired and the Group does not hold any material collateral in relation to these receivables. These relate to a number of independent customers for whom there is no recent history of default. The ageing analyses of these receivables are as follows:

	2010 A$M	2009 A$M
Days overdue:		
1-30 days	**68.0**	51.4
31-60 days	**16.1**	13.7
Over 60 days	**12.2**	18.4
	96.3	83.5

(C) OTHER RECEIVABLES AND DEFERRED EXPENSES

Other receivable amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(D) FOREIGN EXCHANGE AND INTEREST RATE RISK

Information about the Group's exposure to foreign exchange risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

(E) FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. The fair value of securities held for certain trade receivables is insignificant as is the fair value of any collateral sold or repledged. Refer to Note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

NOTE 10-INVENTORY

	2010 A$M	2009 A$M
Raw materials	**171.7**	101.9
Stores and spare parts	**37.3**	36.5
Finished goods	**567.9**	330.8
	776.9	469.2

INVENTORY EXPENSE

Inventories recognised as expense during the year ended 30 June 2010 amounted to A$5,466.5 million (2009: A$6,414.0 million). Write-downs of inventories to net realisable value are disclosed in Note 7.

NOTE 11 — OTHER FINANCIAL ASSETS AND LIABILITIES

	2010 A$M	2009 A$M
Current assets:		
Financial assets designated at fair value through profit or loss	**3.6**	—
Forward foreign exchange contracts — cash flow hedges	**0.4**	0.7
Forward commodity contracts — held for trading	**4.7**	—
	8.7	0.7
Non-current assets:		
Available-for-sale investments	**21.4**	—
Current liabilities:		
Forward foreign exchange contracts — cash flow hedges	**4.0**	0.2
Forward commodity contracts — held for trading	**0.3**	9.7
Forward foreign exchange contracts — held for trading	**0.7**	0.6
	5.0	10.5

DERIVATIVES USED BY THE GROUP

The Group is a party to derivative financial instruments in the normal course of business in order to hedge its exposure to currency fluctuations in foreign exchange rates and commodity prices in accordance with the Group's financial risk management policies which are set out in Note 2.

(I) FORWARD FOREIGN EXCHANGE CONTRACTS — CASH FLOW HEDGES

In order to protect against exchange rate movements in relation to material purchases and sales and underlying transactions between subsidiaries, the Group has entered into forward foreign exchange contracts to purchase foreign currencies for settlement of the related transaction. The Group's primary exposure is to US dollars, Euros and British pounds as disclosed in Note 2.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is deferred and recognised in other comprehensive income to the extent that the hedge is effective. When the cash flows occur, the amount is released to profit or loss. Any ineffective portion is charged to profit or loss.

(II) FORWARD FOREIGN EXCHANGE CONTRACTS — HELD FOR TRADING

The Group has further entered into forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting. These contracts are subject to the same risk management policies as all other derivatives contracts, however they are accounted for as held for trading.

(III) FORWARD COMMODITY CONTRACTS — HELD FOR TRADING

The Group has entered into forward commodity contracts which are economic hedges but do not satisfy the requirements for hedge accounting. These contracts protect against movements in the underlying commodity of the related material purchase or sale. The Group's primary exposure is to Copper and Nickel prices as disclosed in Note 2.

RISK EXPOSURES

Information about the Group's exposure to credit risk, foreign exchange, price and interest rate risk is provided in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instrument mentioned above.

NOTE 12 — PROPERTY, PLANT AND EQUIPMENT

	LAND A$M	BUILDINGS A$M	LEASEHOLD IMPROVE-MENTS A$M	PLANT & EQUIPMENT A$M	CAPITAL WORK IN PROGRESS A$M	TOTAL A$M
At 30 June 2010						
Cost	254.1	186.4	53.8	863.6	90.0	1,447.9
Accumulated depreciation	—	(42.7)	(21.3)	(458.1)	—	(522.1)
Net book amount	254.1	143.7	32.5	405.5	90.0	925.8
Year ended 30 June 2010						
Balance at 1 July	254.5	153.2	35.9	404.6	99.5	947.7
Additions	1.0	2.4	4.4	81.3	31.8	120.9
Disposals	(0.6)	(1.0)	(0.1)	(3.4)	—	(5.1)
Transfers	1.6	6.2	0.8	28.5	(37.1)	—
Impairment loss (Note 7)	(1.8)	(0.2)	—	(12.5)	—	(14.5)
Depreciation expense	—	(11.3)	(4.8)	(93.0)	—	(109.1)
Acquisition of subsidiaries (Note 27)	12.5	3.0	—	26.4	—	41.9
Foreign exchange differences	(13.1)	(8.6)	(3.7)	(26.4)	(4.2)	(56.0)
Balance at 30 June	254.1	143.7	32.5	405.5	90.0	925.8
At 30 June 2009						
Cost	254.5	187.0	53.8	817.7	99.5	1,412.5
Accumulated depreciation	—	(33.8)	(17.9)	(413.1)	—	(464.8)
Net book amount	254.5	153.2	35.9	404.6	99.5	947.7
Year ended 30 June 2009						
Balance at 1 July	212.3	123.9	24.5	368.8	55.2	784.7
Additions	6.9	20.3	13.6	63.5	83.2	187.5
Disposals	(0.2)	(3.2)	—	(1.2)	—	(4.6)
Transfers	1.0	5.7	1.1	33.5	(42.7)	(1.4)
Impairment loss	—	—	—	(10.0)	—	(10.0)
Depreciation expense	—	(11.4)	(4.6)	(104.7)	—	(120.7)
Acquisition of subsidiaries	3.7	4.4	—	19.0	—	27.1
Disposal of subsidiaries	(1.0)	(0.6)	—	(5.5)	—	(7.1)
Foreign exchange differences	31.8	14.1	1.3	41.2	3.8	92.2
Balance at 30 June	254.5	153.2	35.9	404.6	99.5	947.7

NOTE 13 — GOODWILL

(A) MOVEMENTS IN CARRYING AMOUNTS

	2010 A$M	2009 A$M
Cost	**1,308.7**	1,312.6
Accumulated impairment	**(157.0)**	(165.8)
Net book amount	**1,151.7**	1,146.8
Balance at 1 July	**1,146.8**	1,166.5
Impairment charge	**—**	(191.1)
Acquisition of subsidiaries (Note 27)	**64.3**	44.0
Contingent consideration on prior year acquisitions	**4.8**	—
Other	**—**	(2.3)
Foreign exchange differences	**(64.2)**	129.7
Balance at 30 June	**1,151.7**	1,146.8

(B) ALLOCATION OF GOODWILL

	2010 A$M	2009 A$M
Australasia	**21.8**	20.9
North America	**1,017.0**	1,005.6
Europe	**112.9**	120.3
	1,151.7	1,146.8

Goodwill acquired through business combinations has been allocated to groups of CGUs that are expected to benefit from the acquisition. For the North America segment, goodwill has been allocated to CGU's as follows:

	2010 A$M	2009 A$M
East	**554.7**	593.4
Houston	**118.5**	148.3
Rest of North America	**343.8**	263.9
	1,017.0	1,005.6

The goodwill that is allocated to the CGUs within Rest of North America, Australasia and Europe are not significant and do not account individually for more than 10% of total Group goodwill. The change in the goodwill balances above are due to acquisitions, re-allocations of goodwill to other CGUs and foreign exchange retranslations.

(C) GOODWILL IMPAIRMENT TESTING

Goodwill is tested for impairment annually in the fourth quarter of the financial year and whenever there are events or changes in circumstances ("triggering events") which suggest that the carrying amount may not be recoverable. The recoverable amount of a CGU or groups of CGUs is the higher of its fair value less costs to sell and its value-in-use. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(D) VALUATION METHODOLOGY AND KEY ASSUMPTIONS

The recoverable amount of each of the Group's CGUs was determined based on value-in-use calculations. The Group believes its methodology is the most meaningful method, in order to reflect the cyclicality of its business.

The value-in-use calculations use a 5-year cash flow projection which is based initially on the 2011 financial year budget (as approved by the Board) and a 4-year forecast prepared by management. The four-year forecast is developed using historical averages derived from four years of historical results and the 2011 financial year budget. These 5-year projections also incorporate management estimates related to the inherent impact of future volatility in volumes, commodity prices and margins drawn from past experience and factor in current and expected future economic conditions. A terminal value is determined from the final year of cash flow based on application of the Gordon Growth model. The cash flows are discounted using rates that reflect management's estimate of the time value of money and the risks specific to each CGU that are not already reflected in the cash flows. In determining appropriate discount rates for each CGU, consideration has been given to a weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the CGU. The cash flow projections are based on management's best estimates, with reference to historical results, to determine income, expenses, capital expenditures and cash flows for each CGU.

NOTE 13 — GOODWILL (CONTINUED)

(D) VALUATION METHODOLOGY AND KEY ASSUMPTIONS (CONTINUED)

The key assumptions used for the value-in-use calculations were as follows:

	DISCOUNT RATE (PRE-TAX)		GROWTH RATE	
	2010	2009	2010	2009
Australasia	13.5—20.9	12.5—17.0	2.5	2.5
East	14.8	15.1	3.0	3.0
Houston	14.1	15.2	3.0	3.0
Rest of North America	12.5—15.7	13.8—16.2	3.0	3.0
Europe	11.3—13.2	12.5—14.5	1.5—2.5	1.5—2.5

(E) IMPAIRMENT CHARGES RECOGNISED

Year ended 30 June 2009

Australasia

In the year ended 30 June 2009, this segment recognised a non-cash impairment charge of A$0.9 million related to a secondary processing CGU. The CGU is a non-core business and the impairment was due to the closure of a business. After the impairment charge, this CGU had no remaining goodwill.

North America

In the year ended 30 June 2009, the North America segment recognised a non-cash impairment charge of A$190.2 million related to four CGUs which are included in “Rest of North America”. The impairment charge was due to the global economic crisis which impacted the CGUs directly by markedly lower commodity prices and diminished flows of scrap metals.

(F) IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

With regard to the assessment of the value-in-use of each CGU, a sensitivity analysis was conducted on the effect of changes in forecasted cash flows and discount rates. If forecasted cash flows were to decrease by 10% for each CGU, an impairment charge of A$15.4 million would be required in respect of one CGU in Rest of North America. If discount rates were to increase by 1% for each CGU, an impairment charge of A$6.9 million would be required in respect of one CGU in Rest of North America.

NOTE 14 — INTANGIBLE ASSETS

	SUPPLIER RELATIONSHIPS A$M	PERMITS A$M	CONTRACTS A$M	TRADE NAMES A$M	OTHER A$M	TOTAL A$M
At 30 June 2010						
Cost	252.8	9.7	31.8	36.5	—	330.8
Accumulated impairment	—	(0.9)	—	—	—	(0.9)
Accumulated amortisation	(101.6)	—	(28.5)	(4.6)	—	(134.7)
Net book amount	151.2	8.8	3.3	31.9	—	195.2
Year ended 30 June 2010						
Balance at 1 July	187.6	9.8	5.6	35.8	—	238.8
Acquisitions	5.4	0.5	0.1	—	—	6.0
Impairment charge	—	(0.9)	—	—	—	(0.9)
Amortisation charge	(30.5)	—	(2.1)	(2.2)	—	(34.8)
Foreign exchange differences	(11.3)	(0.6)	(0.3)	(1.7)	—	(13.9)
Balance at 30 June	151.2	8.8	3.3	31.9	—	195.2
At 30 June 2009						
Cost	262.9	9.8	33.4	38.3	—	344.4
Accumulated amortisation	(75.3)	—	(27.8)	(2.5)	—	(105.6)
Net book amount	187.6	9.8	5.6	35.8	—	238.8
Year ended 30 June 2009						
Balance at 1 July	189.9	4.3	9.5	31.8	0.1	235.6
Acquisitions	7.0	—	0.7	—	—	7.7
Transfers	(3.4)	3.5	—	—	(0.1)	—
Amortisation charge	(40.0)	—	(8.0)	(2.1)	—	(50.1)
Foreign exchange differences	34.1	2.0	3.4	6.1	—	45.6
Balance at 30 June	187.6	9.8	5.6	35.8	—	238.8

Intangible assets by segment are as follows:

	2010 A$M	2009 A$M
North America	188.7	228.3
Australasia	0.4	0.5
Europe	6.1	10.0
	195.2	238.8

NOTE 15 — TRADE AND OTHER PAYABLES

	2010 A$M	2009 A$M
Trade payables	430.4	293.4
Other payables	160.2	220.0
Deferred income	23.6	8.4
	614.2	521.8

The Group's exposure to currency and liquidity risk related to trade and other payables is set out in Note 2.

NOTE 16 — BORROWINGS

	2010 A$M	2009 A$M
Current borrowings:		
Other borrowings	0.6	0.8
	0.6	0.8
Non-current borrowings:		
Bank loans	116.2	173.4
Other borrowings	0.4	0.9
	116.6	174.3

Bank loans are unsecured but are subject to guarantees/cross guarantees, cross defaults and indemnities (as appropriate) from the Company and some of its subsidiaries.

(A) RISK EXPOSURES

The Group's exposure to interest rate risk as well as information relating to the facility arrangements is set out in Note 2.

(B) FAIR VALUE

The Group's borrowings approximate the carrying amount as the Group's primary exposure is to floating rate bank loans. The Group has nominal exposure to fixed rates through other borrowings.

NOTE 17 — PROVISIONS

	2010 A$M	2009 A$M
Current:		
Employee benefits	10.8	14.6
Legal provisions	13.3	16.2
Other	7.0	7.2
	31.1	38.0
Non-current:		
Employee benefits	10.2	12.1
Environmental compliance	4.9	5.3
Contingent consideration — business combinations	4.8	14.2
Other	2.3	2.4
	22.2	34.0

NOTE 17 — PROVISIONS (CONTINUED)

The Group is involved in legal and other disputes and, after taking legal advice, has established provisions taking into account the relevant facts of each dispute. The timing of cash outflows associated with legal claims cannot be reasonably determined. The environmental compliance provision is an estimate of costs for property remediation that will be required in the future.

The contingent consideration provision is an estimate of final consideration payable in respect of business combinations likely to be paid in the future. The amounts are typically based on the future profitability of the businesses acquired. Refer to Note 1(d).

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

	CURRENT		NON-CURRENT		
	LEGAL A$M	OTHER A$M	CONTINGENT CONSIDERATION A$M	ENVIRONMENTAL COMPLIANCE A$M	OTHER A$M
Balance at 1 July	16.2	7.2	14.2	5.3	2.4
Reclassifications/transfers	—	2.2	(1.2)	—	0.5
Provisions recognised/(written-back) in profit or loss	(1.0)	(0.3)	—	0.2	0.5
Payments	(1.1)	(1.7)	(11.4)	(0.4)	(1.2)
Purchase accounting adjustments	—	—	4.8	—	—
Foreign exchange differences	(0.8)	(0.4)	(1.6)	(0.2)	0.1
Balance at 30 June	13.3	7.0	4.8	4.9	2.3

NOTE 18 — RETIREMENT BENEFIT OBLIGATIONS

The Group operates various defined benefit plans for certain employees. The plans provide benefits based on years of service and/or final average salary.

The following sets out details in respect of the defined benefits sections only. The expense recognised in relation to the defined contribution plans is disclosed in Note 7.

(A) STATEMENT OF FINANCIAL POSITION AMOUNTS

The amounts recognised in the statement of financial position are determined as follows:

	2010 A$M	2009 A$M
Present value of the defined benefit obligation	72.9	73.4
Fair value of defined benefit plan assets	(61.9)	(62.2)
Net liability in the statement of financial position	11.0	11.2

The Group has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. The Group intends to continue to contribute to the defined benefit plans based on recommendations from its actuaries.

(B) CATEGORIES OF PLAN ASSETS

The major categories of plan assets are as follows:

	2010 A$M	2009 A$M
Cash	8.4	15.5
Equity instruments	34.6	36.4
Debt instruments	12.9	7.0
Property	6.0	3.3
Total plan assets	61.9	62.2

(C) RECONCILIATIONS

	2010 A$M	2009 A$M
Reconciliation of the present value of the defined benefit obligation, which is partly funded:		
Balance at 1 July	73.4	81.6
Current service cost	1.4	2.1
Interest cost	3.7	5.0
Actuarial loss (gain)	8.4	(8.7)
Benefits paid	(5.0)	(9.7)
Contributions paid by members	0.4	0.5
Plan changes	—	0.2
Settlements	(4.0)	—
Foreign exchange differences	(5.4)	2.4
Balance at 30 June	72.9	73.4
Reconciliation of the fair value of plan assets:		
Balance at 1 July	62.2	76.7
Expected return on plan assets	3.6	5.5
Actuarial gain (loss)	4.6	(16.9)
Contributions by Group	5.1	3.8
Contributions paid by members	0.4	0.5
Benefits paid	(5.0)	(9.7)
Settlements	(3.9)	—
Foreign exchange differences	(5.1)	2.3
Balance at 30 June	61.9	62.2

(D) EXPENSE RECOGNISED IN PROFIT OR LOSS

	2010 A$M	2009 A$M	2008 A$M
Current service cost	1.4	2.1	2.1
Interest cost	3.7	5.0	3.9
Expected return on plan assets	(3.6)	(5.5)	(5.5)
	1.5	1.6	0.5
Actual return on plan assets	8.2	(11.3)	(6.4)

(E) ACTUARIAL GAINS AND LOSSES RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2010 A$M	2009 A$M	2008 A$M
Cumulative amount at 1 July	(13.9)	(5.7)	5.5
Recognised during the period	(3.8)	(8.2)	(11.2)
Cumulative amount at 30 June	(17.7)	(13.9)	(5.7)

NOTE 18 — RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(F) PRINCIPAL ACTUARIAL ASSUMPTIONS

	%		
	2010	2009	2008
Australia			
Discount rate	**4.2**	4.6	5.5
Expected rate of return on plan assets	**7.3**	8.0	8.0
Future salary increases	**4.0**	3.0	5.0
United Kingdom			
Discount rate	**5.3**	6.2	6.2
Expected rate of return on plan assets	**5.4**	6.1	6.4
Future salary increases	**3.6**	4.0	5.0
United States			
Discount rate	**5.5**	6.5	6.0
Expected rate of return on plan assets	**8.0**	8.0	8.0
Future salary increases	**3.5**	3.5	3.5

The expected rate of return on plan assets has been based on historical and future expectations of returns for each of the major categories of asset classes as well as the expected and actual allocation of plan assets to these major categories. This resulted in the selection of the weighted average returns of plan assets for each of the defined benefit plans as set out above.

(G) EMPLOYER CONTRIBUTIONS

Employer contributions to the defined benefit section of the plans are based on recommendations of actuarial advisors of the plans. Actuarial assessments are made at no more than one-year intervals, and the last such assessment was made as at 30 June 2010.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuaries have adopted a method of funding benefits known as the aggregate funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of members' salaries over their working lifetimes.

Using the funding method described above and particular actuarial assumptions as to the plan's future experience, the actuaries recommended, in their review as at 30 June 2010, a contribution amount that would be sufficient to meet the Group's obligations to the defined benefit scheme. Total employer contributions expected to be paid by Group companies for the year ending 30 June 2011 is A$2.2 million for Australia, A$1.5 million for the United Kingdom, and A$1.0 million for the United States.

(H) HISTORIC SUMMARY

	2010 A$M	2009 A$M	2008 A$M	2007 A$M	2006 A$M
Defined benefit plan obligation	**72.9**	73.4	81.6	70.0	87.0
Plan assets	**(61.9)**	(62.2)	(76.8)	(77.4)	(82.2)
Deficit/(surplus)	**11.0**	11.2	4.8	(7.4)	4.8
Experience adjustments arising on plan liabilities	**8.4**	(8.7)	(0.5)	(2.8)	(2.6)
Experience adjustments arising on plan assets	**(4.6)**	16.9	11.8	(3.9)	(3.3)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 19 — CONTRIBUTED EQUITY

(A) SHARE CAPITAL

Ordinary shares, which have no par value, trade on the Australian Securities Exchange ("ASX") and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Voting rights attaching to the ordinary shares are, on a show of hands, one vote for every person present as a member, proxy, attorney or representative thereof and, on a poll, one vote per share for every member present in person or by proxy, attorney or representative. The Company does not have a limited amount of authorised capital. The Company's shares also trade on the New York Stock Exchange in the form of American Depository Shares ("ADS") with one ordinary share equaling one ADS. ADSs have the same rights as ordinary shares, including participation in dividends and voting rights. Movements in ordinary shares are as follows:

	NUMBER OF SHARES	A$M
Balance at 1 July 2008	180,416,948	2,325.9
Issued under long-term incentive plans	257,282	—
Issued under the employee share scheme recognised as issued following repayment of associated employee loans	27,838	0.4
Issued under the DRP	1,384,554	26.6
Shares issued to employees for integration bonus	60,096	—
Balance at 30 June 2009	182,146,718	2,352.9
Issued under long-term incentive plans	**224,361**	**0.5**
Issued under the DRP	**442,346**	**9.2**
Issued under the Institutional Placement[1]	**19,047,620**	**391.4**
Issued under the Share Purchase Plan[2]	**1,973,398**	**41.2**
Balance at 30 June 2010 for accounting purposes	**203,834,443**	**2,795.2**
Issue of ordinary shares under the employee share scheme deemed to be options for accounting purposes	**46,831**	**—**
Balance at 30 June 2010 per share register	**203,881,274**	**2,795.2**

1 On 20 November 2009, the Company issued 19,047,620 ordinary shares at A$21.00 per share.

2 On 17 December 2009, the Company issued 1,973,398 ordinary shares at A$21.00 per share.

(B) DIVIDEND REINVESTMENT PLAN

The Company operates a Dividend Reinvestment Plan ("DRP") under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by issue of new ordinary shares rather than by being paid cash. Shares issued in the year ended 30 June 2010 under the plan were at a 2.5% discount to the market price.

(C) CAPITAL RISK MANAGEMENT

The capital structure of the Group consists of net debt and equity. The Group's objectives when managing capital are to maintain an optimal capital structure and manage effectively the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure primarily using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. The Group seeks to maintain an optimum gearing ratio.

The Group's gearing ratio is as follows:

	2010 A$M	2009 A$M
Total borrowings	**117.2**	175.1
Less: cash and cash equivalents	**(132.3)**	(69.5)
Net debt	**(15.1)**	105.6
Plus: total equity	**3,278.8**	2,859.0
Total capital	**3,263.7**	2,964.6
Gearing ratio	**—**	3.6%

There have been no breaches of external obligations such as regulatory obligations or bank covenants.

NOTE 20 — RESERVES AND RETAINED EARNINGS

(A) RESERVES

	2010 A$M	2009 A$M
Share-based payments reserve	**53.7**	38.4
Available-for-sale investments reserve	**(0.8)**	—
Cash flow hedging reserve	**(0.7)**	0.4
Foreign currency translation reserve	**5.9**	127.2
	58.1	166.0

(B) MOVEMENTS IN RESERVES

	2010 A$M	2009 A$M
Share-based payments reserve		
Balance at 1 July	**38.4**	36.1
Share-based payment expense	**16.9**	9.2
Shares issued to employees for integration bonus	**—**	0.8
Deferred tax on current year movements	**(1.6)**	(7.7)
Balance at 30 June	**53.7**	38.4
Available-for-sale investments reserve		
Balance at 1 July	**—**	—
Revaluation — gross	**(1.4)**	—
Deferred tax	**0.6**	—
Balance at 30 June	**(0.8)**	—
Cash flow hedging reserve		
Balance at 1 July	**0.4**	(0.6)
Revaluation — gross	**(0.9)**	0.6
Deferred tax on revaluation	**0.2**	(0.2)
Transfer to profit or loss — gross	**(0.6)**	—
Deferred tax on transfer	**0.2**	0.6
Balance at 30 June	**(0.7)**	0.4
Foreign currency translation reserve		
Balance at 1 July	**127.2**	(209.9)
Currency translation differences arising during the year	**(121.3)**	337.1
Balance at 30 June	**5.9**	127.2

(C) RETAINED EARNINGS

Movements in retained earnings were as follows:

	2010 A$M	2009 A$M
Balance at 1 July	**340.1**	682.3
Profit/(loss) after tax	**126.7**	(150.3)
Dividends paid	**(38.6)**	(186.5)
Actuarial loss on defined benefit plans, net of tax	**(2.7)**	(5.4)
Balance at 30 June	**425.5**	340.1

(D) NATURE AND PURPOSE OF RESERVES

(I) SHARE-BASED PAYMENTS RESERVE

The share-based payments reserve is used to recognise the fair value of share-based awards issued to employees.

(II) AVAILABLE-FOR-SALE INVESTMENTS RESERVE

Changes in the fair value and exchange differences arising on translation of investments, such as equities classified as available-for-sale investments, are recognised in other comprehensive income as described in Note 1(p) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

(III) CASH FLOW HEDGING RESERVE

The cash flow hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in Note 1(r). Amounts are recognised in profit or loss when the associated hedged transaction affects profit or loss.

(IV) FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income, as described in Note 1(e) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of or borrowings forming part of the net investment are repaid.

NOTE 21 — DIVIDENDS

(A) RECOGNISED AMOUNTS

	2010 A$M	2009 A$M	2008 A$M
Declared and paid during the year			
Interim dividend 2010 paid at 10 cents per share franked 100% at a 30% tax rate	**20.4**	—	—
Final dividend 2009 paid at 10 cents per share franked 100% at a 30% tax rate	**18.2**	—	—
Interim dividend 2009 paid at 28 cents per share franked 100% at a 30% tax rate	**—**	50.9	—
Final dividend 2008 paid at 75 cents per share franked 23% at a 30% tax rate	**—**	135.6	—
Interim dividend 2008 paid at 55 cents per share franked 47% at a 30% tax rate	**—**	—	99.0
Final dividend 2007 paid at 60 cents per share franked 51% at a 30% tax rate	**—**	—	75.7
Total dividends paid	**38.6**	186.5	174.7
Shares issued under the DRP	**(9.2)**	(26.6)	(18.1)
Total cash dividends paid	**29.4**	159.9	156.6

(B) DIVIDENDS NOT RECOGNISED AT YEAR END

Since the end of the year, the Directors have determined the payment of a final dividend of 23 cents per share franked at 74% based on a 30% tax rate. The aggregate amount of the proposed dividend expected to be paid on 22 October 2010 out of consolidated retained earnings as at 30 June 2010, but not recognised as a liability at the end of the reporting period, is A$46.9 million (2009: A$18.2 million; 2008: A$135.4 million).

(C) FRANKED DIVIDENDS

The franked portions of the final dividends recommended after 30 June 2010 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2011.

	2010 A$M	2009 A$M
Franking credits available for the subsequent financial years based on tax rate of 30% (2009: 30%)	**16.2**	27.5

The above amounts represent the balances of the franking account as at the reporting date, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax and franking debits that will arise from refunds;
- franking debits that will arise from the payment of dividends recognised as a liability as at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables as at the reporting date.

The impact on the franking account of the dividend determined by the Directors since the end of the reporting period, but not recognised as a liability as at the end of the reporting date, will be a reduction in the franking account of A$14.9 million (2009: A$7.8 million).

NOTE 22 — CONTINGENCIES

(A) GUARANTEES

Details of guarantees provided by the Group for which no amounts are recognised in the consolidated financial statements are presented below.

	2010 A$M	2009 A$M
Bank guarantees — subsidiaries	**45.7**	64.3
Borrowing guarantee — SA Recycling LLC	**—**	83.9
Total guarantees	**45.7**	148.2

The Company, subsidiaries, joint venture operations, jointly controlled entities and associated companies have given a number of guarantees in respect of the performance of contracts and workers compensation insurance entered into in the ordinary course of business.

As at 30 June 2010, SA Recycling LLC refinanced its debt obligations and the Group has not guaranteed their new credit facility.

(B) ENVIRONMENTAL CLAIMS

The Group is subject to comprehensive environmental requirements relating to, among others, the acceptance, storage, treatment, handling and disposal of solid waste and hazardous waste; the discharge of materials and storm water into the environment; the management and treatment of wastewater and stormwater; and the remediation of soil and groundwater contamination. As a consequence, the Group has incurred and will continue to incur environmental costs and liabilities associated with site and facility operation, closure, remediation, monitoring and licensing. Provisions have been made in respect of estimated environmental liabilities where obligations are known to exist and can be reasonably measured. However, additional liabilities may emerge due to a number of factors, including changes in environmental laws and regulations in each of the jurisdictions in which the Group operates or has operated. The Group cannot predict the extent to which it may be affected in the future by any such changes in legislation or regulation.

(C) LEGAL CLAIMS

Various Group companies are parties to legal actions and claims that arise in the ordinary course of their business. While the outcome of such legal proceedings cannot be readily foreseen, the Group believes that they will be resolved without material effect on its financial position. Provision has been made for known obligations where the existence of the liability is probable and can be reasonably estimated.

(D) TAX AUDITS

The Group files income tax returns in many jurisdictions throughout the world. Various tax authorities are currently reviewing or auditing the Group's income tax returns. Tax returns contain matters that could be subject to differing interpretations of applicable tax laws and regulations. While it is difficult to predict the ultimate outcome in some cases, the Group does not anticipate that there will be any material impact on the Group's financial position from such audits or reviews.

(E) SUBSIDIARIES

Under the terms of a Deed of Cross Guarantee ("DCG") entered into in accordance with ASIC Class Order 98/1418 (as amended by Class Orders 98/2107, 00/0321, 01/1087, 02/0248 and 02/1017), the Company has undertaken to meet any shortfall which might arise on the winding up of controlled entities which are party to the deed, as described in Note 28. The controlled entities are not in liquidation and there is no indication that they will be wound up.

NOTE 23 — COMMITMENTS

(A) CAPITAL COMMITMENTS

Capital expenditures contracted for at the reporting date but not recognised as liabilities is as follows:

	2010 A$M	2009 A$M
Payable within one-year	**26.3**	34.2
Payable later than one-year but not later than five-years	**0.7**	0.5
	27.0	34.7

The capital commitments included above also include the Group's share relating to joint venture operations, jointly controlled entities and associates.

(B) LEASE COMMITMENTS

The Group has entered into various operating leases on property, plant and equipment. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated, Lease commitments for operating leases are as follows:

	2010 A$M	2009 A$M
Not later than one-year	**59.0**	69.8
Later than one-year, but not later than three-years	**95.6**	107.5
Later than three-years, but not later than five-years	**41.1**	53.2
Later than five-years	**121.0**	127.8
Total lease commitments not recognised as liabilities	**316.7**	358.3

The lease commitments included above also include the Group's share relating to joint venture operations, jointly controlled entities and associates.

(C) REMUNERATION COMMITMENTS

The Group has entered into service agreements with key management personnel as referred to in the remuneration report that are not recognised as liabilities and are not included in the key management personnel compensation. Remuneration commitments for key management personnel are as follows:

	2010 A$M	2009 A$M
Payable within one-year	**2.6**	7.8
Payable later than one-year but not later than five-years	**2.3**	4.7
Total remuneration commitments not recognised as liabilities	**4.9**	12.5

NOTE 24 — SHARE OWNERSHIP PLANS

The Company's share ownership plans are designed to link the rewards of eligible employees to the long-term performance of the Company and the returns generated for shareholders. The maximum number of shares that can be outstanding at any time under the share ownership plans is limited to 5% of the Company's issued capital. Grants under the share ownership plans can be in the form of options or share rights. Certain share ownership plans also provide for cash-settled rights which are determined by the Board.

An option is a contract that gives the holder the right, but not the obligation, to acquire the Company's shares at a fixed or determinable price for a specified period of time. Share rights are a contractual right to acquire the Company's shares for nil consideration. Unless specified in the grants, holders of options and share rights are not entitled to dividends or voting rights.

(A) LONG-TERM INCENTIVE PLAN ("LTIP")

In July 2003, the Company introduced a LTIP under which eligible employees may be invited to receive an award of options or share rights. Options have an exercise price based on the weighted average market price of the Company's ordinary shares (or ADSs) during the five trading days up to the date of the grant. Options and share rights granted under the LTIP may vest either based on continuous service or based on performance conditions. Refer to the Remuneration Report for further information on the terms of the grants made in the year ended 30 June 2010 pursuant to the LTIP.

LTIP — OPTIONS

The fair value of options granted is independently determined using a Binomial method which allows for the effects of an early exercise for vested options assuming the share price exceeds one and a half times the exercise price. The significant weighted assumptions used to determine the fair value were as follows:

	ORDINARY SHARES		ADS	
	2010	2009	2010	2009
Risk-free interest rate	**5.2%**	4.7%	**2.7%**	3.0%
Dividend yield	**4.0%**	3.9%	**4.0%**	3.9%
Volatility	**49.0%**	46.3%	**59.0%**	55.7%
Expected life (years)	**4.2**	4.3	**4.3**	4.3
Share price at grant date	**A$21.26**	A$20.10	**US$19.21**	US$16.07
Weighted average fair value	**A$ 6.78**	A$ 6.27	**US$ 6.56**	US$ 5.48

NOTE 24 — SHARE OWNERSHIP PLANS (CONTINUED)

(A) LONG-TERM INCENTIVE PLAN ("LTIP") (CONTINUED)

Volatility for the ordinary shares is based on historical share price. Due to the sparse trading of the ADSs and its limited listing (since March 2008), the volatility of the ADSs is based on the historical share price of the ordinary shares which have been translated to US dollars using daily exchange rates.

OPTIONS OUTSTANDING	NUMBER OF OPTIONS 2010	WEIGHTED AVERAGE EXERCISE PRICE $ 2010	NUMBER OF OPTIONS 2009	WEIGHTED AVERAGE EXERCISE PRICE $ 2009
Ordinary Shares:				
Balance at 1 July	558,792	A$20.48	—	A$ 0.00
Granted	270,207	A$21.95	558,792	A$20.48
Forfeited	(47,420)	A$18.50	—	A$ 0.00
Exercised	—	A$ 0.00	—	A$ 0.00
Balance at 30 June	781,579	A$21.11	558,792	A$20.48
Exercisable at 30 June	173,149	A$20.68	—	A$ 0.00
ADSs:				
Balance at 1 July	1,182,472	US$16.78	—	US$ 0.00
Granted	729,933	US$20.57	1,182,472	US$16.78
Forfeited	(109,817)	US$20.68	—	US$ 0.00
Exercised	—	US$ 0.00	—	US$ 0.00
Balance at 30 June	1,802,588	US$18.08	1,182,472	US$16.78
Exercisable at 30 June	368,898	US$16.51	—	US$ 0.00

Information about outstanding and exercisable options as at 30 June 2010 is as follows:

	OUTSTANDING			EXERCISABLE		
EXERCISE PRICE RANGE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
Ordinary shares:						
A$8 — A$20	231,919	A$15.06	5.55	77,307	A$15.06	5.55
A$20 — A$30	549,660	A$23.66	6.20	95,842	A$25.22	5.97
	781,579	A$21.11	6.01	173,149	A$20.68	5.78
ADSs:						
US$8 — US$20	466,562	US$10.71	5.62	155,519	US$10.71	5.62
US$20 — US$30	1,336,026	US$20.65	6.21	213,379	US$20.73	5.97
	1,802,588	US$18.08	6.06	368,898	US$16.51	5.82

LTIP — SHARE RIGHTS

The fair value of performance share rights granted is independently determined using a Black-Scholes method to produce a Monte-Carlo simulation model which allows for the incorporation for a Total Shareholder Return ("TSR") performance condition that must be met before the share rights vest. The significant weighted assumptions used to determine the fair value were as follows:

	ORDINARY SHARES		ADS	
	2010	2009	2010	2009
Dividend yield	4.0%	4.0%	4.0%	4.0%
Risk-free interest rate	5.2%	4.1%	2.7%	2.5%
Volatility	49.0%	44.6%	59.0%	54.0%
Share price at grant date	A$21.26	A$16.04	US$19.26	US$12.30

RIGHTS OUTSTANDING	NUMBER OF SHARES 2010		WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $ 2010	NUMBER OF SHARES 2009		WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE $ 2009
Ordinary Shares:						
Non-vested balance at 1 July	930,775	A$	24.07	1,124,468	A$	25.36
Granted	125,323	A$	15.95	98,785	A$	13.03
Forfeited/cancelled	(215,070)	A$	23.98	(35,196)	A$	24.71
Vested	(187,188)	A$	23.77	(257,282)	A$	25.37
Non-vested balance at 30 June	653,840	A$	22.63	930,775	A$	24.07
ADSs:						
Balance at 1 July	198,039	US$	9.41	—		—
Granted	581,832	US$	12.68	198,039	US$	9.41
Forfeited/cancelled	(20,668)	US$	12.11	—		—
Vested	(5,173)	US$	18.80	—		—
Non-vested balance at 30 June	754,030	US$	11.80	198,039	US$	9.41

LTIP — SHARE RIGHTS

Share rights with performance conditions vest after a period of one to five years, but only if the performance hurdle has been met. Performance hurdles are either based on TSR or on non-market based performance criteria. In the year ended 30 June 2010, 115,548 share rights were forfeited as the performance conditions were not satisfied.

Performance-based share right grants made in the years ended 30 June 2009 and 30 June 2010 are measured using a TSR hurdle over a three year period (commencing at the beginning of the financial year) against a comparator group of companies. Full vesting of the performance share rights occurs when the Company's TSR is at (or exceeds) the 75th percentile relative to the comparator group, scaling down to 50% vesting on a straight-line basis for median performance. Below median performance, no vesting occurs. Initial TSR performance is tested at the third anniversary of the commencement of the performance period, with subsequent performance testing possible at the fourth and fifth anniversaries of the commencement of the performance period.

(B) FORMER EXECUTIVE LONG-TERM INCENTIVE PLAN ("LTI SHARE PLAN")

The LTI Share Plan was approved by shareholders in November 2004. Offers of shares under the LTI Share Plan were made to eligible Australian-based employees in the 2006 and 2007 financial years. The Company provided financial assistance in the form of a share secured non-interest-bearing employee loan. The loans are repayable in full within five-years after the financial assistance is provided or such longer period and in such a manner as the Company may determine.

The beneficial ownership of the shares vests with employees in line with achievement of continuous service and non-market based performance criteria. The continuous service criterion is met if the "Participant" is an employee of the Group at vesting. Periods of continuous service vary from one to three-years, while non-market-based performance criteria are satisfied if the growth in EPS of the Group of between 5% and 10% is achieved over periods which vary between three and five-years. There is no reward if less than 5% EPS growth is achieved.

Holders of these shares are entitled to dividends over the term of the relevant vesting period. No further grants are being made pursuant to the LTI Share Plan. The following table sets out details of outstanding shares granted under the LTI Share Plan:

	NUMBER OF SHARES 2010		WEIGHTED AVERAGE PURCHASE PRICE A$ 2010	NUMBER OF SHARES 2009		WEIGHTED AVERAGE PURCHASE PRICE A$ 2009
Balance at 1 July	80,851	$	17.66	108,689	$	17.21
Forfeited	(34,020)	$	18.73	—	$	0.00
Exercised	—	$	0.00	(27,838)	$	15.90
Balance at 30 June	46,831	$	16.88	80,851	$	17.66
Exercisable at 30 June	46,831	$	16.88	46,831	$	16.88

Shares forfeited during the year ended 30 June 2010 were a result of performance conditions not being satisfied.

NOTE 24 — SHARE OWNERSHIP PLANS (CONTINUED)

(C) TRANSITION INCENTIVE SHARE PLAN RELATED TO THE METAL MANAGEMENT MERGER

In accordance with the terms and conditions of the merger agreement with Metal Management Inc, the Sims Group Limited Transition Incentive Plan ("SGLTIP") was established. The SGLTIP assumed the rights and obligations of Metal Management under its former plan ("MMI Plan"). The Group assumed both options and restricted shares from the MMI Plan. No additional grants can be made under the SGLTIP.

(I) SHARE OPTIONS

The options assumed were held by the former directors of Metal Management Inc who became directors of the Company on the merger date. Each outstanding share option under the MMI Plan was converted into 2.05 options of the Company. Each option represents the right to acquire one ADS. In addition, the exercise price of each outstanding option under the MMI Plan was converted at the same exchange ratio. All the options assumed were fully vested and therefore the fair value was recorded as a component of the purchase price for Metal Management Inc. The following table sets out details of outstanding options under the SGLTIP:

	NUMBER OF OPTIONS 2010	WEIGHTED AVERAGE EXERCISE PRICE US$ 2010	NUMBER OF OPTIONS 2009	WEIGHTED AVERAGE EXERCISE PRICE US$ 2009
Balance at 1 July	738,000	$ 15.54	738,000	$ 15.54
Exercised	(32,000)	$ 15.29	—	$ 0.00
Balance at 30 June	706,000	$ 15.58	738,000	$ 15.54
Exercisable at 30 June	706,000	$ 15.58	738,000	$ 15.54

For options exercised during the year ended 30 June 2010, the weighted average share price at the date of exercise was US$22.33 (2009: nil). The weighted average contractual life of options outstanding as at 30 June 2010 was 2.90 years (2009: 3.80 years).

(II) RESTRICTED SHARES

The restricted shares assumed were held by former employees of Metal Management Inc who are now employed by the Group. The restricted shares vest evenly over three-years based on continuous service. The holder of the restricted share is entitled to dividends and voting rights during the period of restriction. Each unvested restricted share at the merger date was converted into 2.05 restricted ADSs of the Company. The fair value of restricted shares assumed was based on the value of an ordinary share of the Company on the merger date.

Set out below is a summary of restricted shares under the SGLTIP:

	NUMBER OF SHARES 2010	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE US$2010	NUMBER OF SHARES 2009	WEIGHTED AVERAGE FAIR VALUE AT GRANT DATE US$2010
Non-vested balance at 1 July	142,281	$ 25.27	249,485	$ 25.27
Forfeited	(12,916)	$ 25.27	(29,179)	$ 25.27
Vested	(68,399)	$ 25.27	(78,025)	$ 25.27
Non-vested balance at 30 June	60,966	$ 25.27	142,281	$ 25.27

(D) NON-EXECUTIVE DIRECTOR ("NED") SHARE PLAN

Participation in the NED Share Plan is voluntary and all NEDs are eligible to participate. Under the NED Share Plan, NEDs elect to sacrifice all or part of their director fees in return for an allocation of fully paid ordinary shares of equivalent value. The NED Share Plan therefore does not involve any additional remuneration for participating NEDs.

Shares are allocated quarterly and are either issued as new shares or purchased on the ASX at the prevailing market price. In the year ended 30 June 2010, nil shares (2009: 2,640 shares) were allocated to participating NEDs.

(E) EFFECT OF SHARE-BASED PAYMENTS ON PROFIT OR LOSS

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 7. The carrying amount of liabilities for cash-settled share-based arrangements as at 30 June 2010 was A$0.4 million (2009: A$0.2 million). Where share-based awards are issued to employees of subsidiaries within the Group, the subsidiaries compensate the Company for the fair value of these share-based awards.

NOTE 25 — KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel are those persons defined as having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, including any director (executive or non-executive). Please refer to the Directors' Report for information regarding each key management person.

(A) KEY MANAGEMENT PERSONNEL COMPENSATION

	2010 A$	2009 A$
Short-term benefits	**11,989,245**	19,434,908
Long-term benefits	**2,050,041**	166,344
Post-employment benefits	**784,335**	616,273
Termination benefits	**1,551,200**	3,130,316
Share-based payments	**7,249,463**	5,167,311
	23,624,284	28,515,152

The Group has taken advantage of the relief provided by Australian Securities and Investments Commission Class Order 06/50 and has transferred the detailed remuneration disclosures to the Remuneration Report, which is presented in the Directors' Report.

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

(I) OPTIONS PROVIDED AS REMUNERATION AND SHARES ISSUED ON EXERCISE OF SUCH OPTIONS

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report.

(II) SHARE HOLDINGS

The number of shares in the Company held during the financial year by each Director and other key management personnel, including their personally related parties, is set out below.

2010 NAME	BALANCE AT 1 JULY 2009	RECEIVED ON EXERCISE OF OPTIONS OR RIGHTS	PURCHASES/ (SALES)	OTHER CHANGES DURING THE YEAR	BALANCE AT 30 JUNE 2010
Non-Executive Directors:					
N Bobins (ADS)	54,600	—	—	—	54,600
G Brunsdon[1]	—	—	—	3,870	3,870
M Feeney	26,674	—	1,115	—	27,789
R Lewon (ADS)	—	32,000	(32,000)	—	—
P Mazoudier[2]	15,201	—	—	(15,201)	—
G Morris (ADS)	20,000	—	5,000	—	25,000
C Renwick	3,144	—	—	—	3,144
P Varello (ADS)	30,825	—	21,300	—	52,125
Executive Directors:					
D Dienst (ADS)	1,156,872	—	(555,579)	—	601,293
J Sutcliffe[3]	32,577	—	—	(32,577)	—
Senior Executives:					
G Davy	3,003	54,683	—	—	57,686
R Kelman (ADS)	30,048	14,931	(30,000)	—	14,979
R Larry (ADS)	90,972	—	(10,000)	—	80,972
D McGree	11,924	30,175	—	—	42,099
A Ratner (ADS)	101,249	—	(13,290)	—	87,959

1 Mr Brunsdon was appointed to the Board on 20 November 2009. Other changes comprise 3,851 shares held by Mr Brunsdon on the date of his appointment and 19 shares acquired through the DRP.

2 Mr Mazoudier retired from the Board on 20 November 2009. Other changes for Mr Mazoudier represent his share holdings on the date of his retirement.

3 Mr Sutcliffe's service agreement was terminated by way of redundancy on 26 August 2009. Other changes for Mr Sutcliffe represent his share holdings on 26 August 2009.

NOTE 25 — KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL (CONTINUED)

(II) SHARE HOLDINGS (CONTINUED)

2009 NAME	BALANCE AT 1 JULY 2008	RECEIVED ON EXERCISE OF OPTIONS OR RIGHTS	PURCHASES/ (SALES)	OTHER CHANGES DURING THE YEAR	BALANCE AT 30 JUNE 2009
Non-Executive Directors:					
N Bobins (ADS)	54,600	—	—	—	54,600
M Feeney	25,734	—	940	—	26,674
P Mazoudier	14,639	—	562	—	15,201
G Morris (ADS)	20,000	—	—	—	20,000
C Renwick	1,444	—	1,700	—	3,144
P Varello (ADS)	6,225	—	24,600	—	30,825
Executive Directors:					
D Dienst (ADS)	1,156,872	—	—	—	1,156,872
R Cunningham[1]	—	32,433	(14,989)	(17,444)	—
J Sutcliffe	52,255	82,577	(102,255)	—	32,577
Senior Executives:					
T Bird[2]	—	6,732	(6,732)	—	—
G Davy	3,003	12,903	(12,903)	—	3,003
R Kelman (ADS)[3]	—	14,931	(14,931)	30,048	30,048
R Larry (ADS)	90,972	—	—	—	90,972
D McGree	—	11,924	—	—	11,924
A Ratner (ADS)[3]	74,316	—	(3,115)	30,048	101,249

1 Mr Cunningham retired from the Board on 21 November 2008. Other changes for Mr Cunningham represent his share holdings on the date of his retirement.

2 The Company accepted the resignation of Mr Bird on 17 August 2009.

3 Other changes for Messrs Kelman and Ratner represent shares they each received as part of an integration bonus.

(III) OPTION HOLDINGS

The number of options over ordinary shares or ADSs in the Company held during the financial year by each Director and other key management personnel, including their personally related parties, are set out below.

2010 NAME	BALANCE AT 1 JULY 2009	GRANTED	EXERCISED	FORFEITED	BALANCE AT 30 JUNE 2010	VESTED	UNVESTED
Non-Executive Directors:							
R Lewon (ADS)	123,000	—	(32,000)	—	91,000	91,000	—
G Morris (ADS)	205,000	—	—	—	205,000	205,000	—
Executive Directors:							
D Dienst (ADS)	591,654	178,037	—	—	769,691	470,551	299,140
J Sutcliffe[1]	135,435	—	—	—	135,435	45,145	90,290
Senior Executives:							
T Bird[2]	39,347	—	—	(39,347)	—	—	—
G Davy	48,950	37,231	—	—	86,181	16,317	69,864
R Kelman (ADS)	87,664	44,914	—	—	132,578	29,221	103,357
R Larry (ADS)	109,580	56,142	—	—	165,722	36,526	129,196
D McGree	47,534	46,908	—	—	94,442	15,845	78,597
A Ratner (ADS)	87,664	44,914	—	—	132,578	29,221	103,357

1 Mr Sutcliffe's service agreement was terminated by way of redundancy on 26 August 2009. Balance represents options that will vest in future periods based on satisfaction of performance criteria as a result of "good-leaver" provisions in his share-based awards.

2 The Company accepted Mr Bird's resignation on 17 August 2009 and, as a result, he forfeited his outstanding options.

2009 NAME	BALANCE AT 1 JULY 2008	GRANTED	EXERCISED	FORFEITED	BALANCE AT 30 JUNE 2009	VESTED	UNVESTED
Non-Executive Directors:							
R Lewon (ADS)	123,000	—	—	—	123,000	123,000	—
G Morris (ADS)	205,000	—	—	—	205,000	205,000	—
Executive Directors:							
D Dienst (ADS)	410,000	181,654	—	—	591,654	410,000	181,654
J Sutcliffe	—	135,435	—	—	135,435	—	135,435
Senior Executives:							
T Bird	—	39,347	—	—	39,347	—	39,347
G Davy	—	48,950	—	—	48,950	—	48,950
R Kelman (ADS)	—	87,664	—	—	87,664	—	87,664
R Larry (ADS)	—	109,580	—	—	109,580	—	109,580
D McGree	—	47,534	—	—	47,534	—	47,534
A Ratner (ADS)	—	87,664	—	—	87,664	—	87,664

(IV) RIGHTS AND AWARD HOLDINGS

The number of rights to ordinary shares or ADSs in the Company held during the financial year by each Executive Director and other key management personnel, including their personally related parties, are set out below.

2010 NAME	BALANCE AT 1 JULY 2009	GRANTED	VESTED	FORFEITED	OTHER CHANGES	BALANCE AT 30 JUNE 2010
Executive Directors:						
D Dienst (ADS)	61,092	197,006	—	—	—	258,098
J Sutcliffe[1]	258,344	—	—	(23,982)	(86,212)	148,150
Senior Executives:						
T Bird[2]	62,773	—	—	(62,773)	—	—
G Davy	99,655	16,928	(54,683)	(3,823)	—	58,077
R Kelman (ADS)	78,155	25,531	(14,931)	—	—	88,755
R Larry (ADS)	48,225	47,696	—	—	—	95,921
D McGree	71,126	20,728	(30,175)	(3,533)	—	58,146
A Ratner (ADS)	55,664	25,531	(8,542)	—	—	72,653

1 Mr Sutcliffe's service agreement was terminated by way of redundancy on 26 August 2009. Pursuant to the "good-leaver" provisions in his award agreement, Mr Sutcliffe retained his rights. Other changes represent rights which were cash-settled as part of Mr Sutcliffe's redundancy.

2 The Company accepted Mr Bird's resignation on 17 August 2009 and, as a result, he forfeited his unvested rights.

2009 NAME	BALANCE AT 1 JULY 2008	GRANTED	VESTED	BALANCE AT 30 JUNE 2009
Executive Directors:				
D Dienst (ADS)	—	61,092	—	61,092
R Cunningham[1]	81,836	—	(32,433)	49,403
J Sutcliffe	296,481	44,440	(82,577)	258,344
Senior Executives:				
T Bird	54,785	14,720	(6,732)	62,773
G Davy	94,246	18,312	(12,903)	99,655
R Kelman (ADS)	54,506	38,580	(14,931)	78,155
R Larry (ADS)	—	48,225	—	48,225
D McGree	66,737	16,313	(11,924)	71,126
A Ratner (ADS)	25,625	38,580	(8,541)	55,664

1 Mr Cunningham retired from the Board on 21 November 2008. Balance represents awards that will vest in future periods based on satisfaction of performance criteria as a result of "good-leaver" provisions in his share-based awards.

NOTE 25 — KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions entered into with any Directors or other key management personnel of the Group, including their personally related parties, are at normal commercial terms.

During the year ended 30 June 2010, a company related to Mr Varello was paid US$8,887 for safety consulting and administrative services (2009: US$9,145).

Mr Sukagawa is the representative director for Mitsui & Co. As Mr Sukagawa is employed by Mitsui, his director remuneration is paid directly to Mitsui. During the year ended 30 June 2010, the Group paid A$119,533 to Mitsui for director remuneration for Mr Sukagawa.

NOTE 26 — REMUNERATION OF AUDITORS

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally for tax advice and due diligence on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. All audit and non-audit services provided by PricewaterhouseCoopers are subject to pre-approval by the RAC of the Board in accordance with the Group Independence Policy.

The following fees were paid and payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	2010 A$'000	2009 A$'000
PricewaterhouseCoopers — Australian Firm:		
Audit of financial statements	2,042	4,066
Sarbanes-Oxley readiness advice	—	1,705
Taxation services	30	213
Other assurance related services	499	110
	2,571	6,094
Related practices of PricewaterhouseCoopers — Australian Firm:		
Audit of financial statements	3,207	4,319
Sarbanes-Oxley readiness advice	—	506
Taxation services	523	710
Acquisition due diligence and other	86	31
	3,816	5,566
Total remuneration for PricewaterhouseCoopers	6,387	11,660

NOTE 27 — BUSINESS COMBINATIONS AND DISPOSALS

(A) SUMMARY OF ACQUISITIONS

During the year ended 30 June 2010, the Group acquired the following businesses:

- On 3 July 2009, the Group purchased the assets and business of Fairless Iron & Metal. The business is a ferrous and non-ferrous metal recycler and is based in Morrisville, Pennsylvania in the United States.
- On 1 September 2009, the Group purchased the assets and business of Technorecycle Buromaschinen Verwertung GmbH. This e-recycling business specialises in asset recovery and is located near Frankfurt in Hochheim am Main, Germany.
- On 18 November 2009, the Group obtained control of Port Albany Ventures by acquiring 50% of the joint venture interest that it previously did not own. As a result the Group's equity interest in Port Albany increased from 50% to 100%. Port Albany is a mixed-use bulk material stevedoring operation located in Bethlehem, New York in the United States.
- On 1 April 2010, the Group purchased the assets and business of Border Metals Pty Ltd. The business is a ferrous and non-ferrous metal recycler and is located in Victoria, Australia.

Had the above acquisitions occurred on 1 July 2009, there would not have been a significant change to the Group's revenue and net profit. Additionally, revenue and net profit contribution by the above acquisitions to the Group post-acquisition was not significant.

(B) PURCHASE CONSIDERATION AND ASSETS AND LIABILITIES ACQUIRED

Details of the aggregate purchase consideration and cash outflow are as follows:

	A$M
Cash paid for current year acquisitions	100.6
Payments for deferred consideration and contingent consideration on prior year acquisitions	13.5
Cash acquired	(0.7)
Cash outflow for acquisitions	113.4

Assets and liabilities arising from current year acquisitions are as follows:

	FAIR VALUE A$M
Cash	0.7
Trade and other receivables	3.0
Inventories	1.0
Property, plant and equipment (Note 12)	41.9
Deferred tax asset	0.5
Identified intangible assets (Note 14)	6.0
Trade and other payables	(2.1)
Borrowings	(0.4)
Net assets acquired	50.6

Goodwill recognised from current year acquisitions are as follows:

	A$M
Total cash consideration	100.6
Fair value of previously held equity interest in Port Albany	14.3
Less: net assets acquired	(50.6)
Goodwill on acquisition	64.3

The initial accounting for some of the current year acquisitions has only been provisionally determined. The goodwill is attributable to several factors including site locations, synergies existing in the operations acquired and the assembled workforce, which together contribute to the profitability of the acquired businesses. Some of the goodwill recognised is expected to be deductible for income tax purposes.

(C) ACQUISITION OF METAL MANAGEMENT

On 14 March 2008, the Company purchased the issued capital of Metal Management for A$1.5 billion. The consideration comprised 53,473,817 ordinary shares (in the form of American Depositary Shares) with a fair value of A$1.5 billion, the assumption of outstanding share options with a fair value of A$10.5 million and transaction costs of A$19.5 million. Metal Management was one of the largest full service scrap metal recyclers in the United States, with 50 locations in 17 states. The acquisition was made to expand the Group's presence in the North American scrap recycling market.

If the acquisition of Metal Management had occurred on 1 July 2007, revenues and net profit of the Group would have been A$10.2 billion and A$493.0 million, respectively, for the year ended 30 June 2008. These amounts have been calculated using the Group's accounting policies and by adjusting the results of Metal Management to reflect additional depreciation and amortisation expense that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2007, together with the consequential tax effects.

(D) DISPOSALS

On 15 January 2010, the Group sold the assets of its Aluminium Salt Slag business in Australia. The consideration was not significant to the Group. The sale was part of the Group's announced strategy of disposing of its non-core assets.

NOTE 28 — SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING % 2010	2009
Sims Metal Management Limited			
Sims Group Australia Holdings Limited (i)	Australia	100%	100%
PNG Recycling Limited	PNG	100%	100%
Sims Aluminium Pty Limited (i)	Australia	100%	100%
Sims E-Recycling Pty Limited	Australia	90%	90%
Sims E-Recycling (NZ) Limited	New Zealand	90%	90%
Sims Group Canada Holdings Limited	Canada	100%	100%
Sims Group Mauritius Limited	Mauritius	100%	100%
Trishyiraya Recycling India Private Ltd	India	100%	100%
Sims Tyrecycle Properties Pty Ltd	Australia	100%	100%
Simsmetal Holdings Pty Limited	Australia	100%	100%
Sims Metal Management Asia Limited	Hong Kong	100%	100%
Sims Energy Pty Limited	Australia	100%	100%
Sims Industrial Pty Limited	Australia	100%	100%
Simsmetal Industries Limited	New Zealand	100%	100%
Simsmetal Services Pty Limited (i)	Australia	100%	100%
Sims Manufacturing Pty Limited	Australia	100%	100%
Simsmetal Executive Staff Superannuation Pty Limited	Australia	100%	100%
Sims Superannuation Management Pty Limited	Australia	100%	100%
Universal Inspection and Testing Company Pty Limited	Australia	100%	100%
Sims Recycling Solutions Pte Limited	Singapore	100%	100%
Sims Recycling Solutions Africa Pty Ltd (ii)	Africa	100%	—
Simsmetal Staff Equity Pty Limited	Australia	100%	100%
Sims Group UK Holdings Limited	UK	100%	100%
Sims Group UK Intermediate Holdings Limited	UK	100%	100%
Sims Group UK Limited	UK	100%	100%
C Herring & Son Limited	UK	100%	100%
Life Cycle Services Limited	UK	100%	100%
All Metal Recovery Limited	UK	100%	100%
All Metal Recovery Cradley Heath Limited	UK	100%	100%
ER Coley (Steel) Limited	UK	100%	100%
ER Coley (Cast) Limited	UK	100%	100%
Evans & Mondon Limited	UK	100%	100%
Mirec BV	The Netherlands	100%	100%
Sims Recycling Solutions Cooperatief B.A. (ii)	The Netherlands	100%	—
Sims Recycling Solutions NV	Belgium	100%	100%
Recommit Limited	UK	100%	100%
Sims Cymru Limited	UK	100%	100%
Sims Group German Holdings GmbH	Germany	100%	100%
Sims M+R GmbH	Germany	100%	100%
Sims Technorecycle GmBH (ii)	Germany	100%	—
Sims Recycling Solutions AB	Sweden	100%	100%
Sims Group Recycling Solutions Canada Ltd	Canada	100%	100%
Accu-Shred Limited	Canada	100%	100%
Sims Recycling Solutions SARL	France	100%	100%
Sims Recycling Solutions Inc	USA	100%	100%
Sims Recycling Solutions Holdings Inc	USA	100%	100%
Global Investment Recovery, Inc	USA	100%	100%
Sims Recycling Solutions UK Holdings Limited	UK	100%	100%
Sims Recycling Solutions UK Group Limited	UK	100%	100%
Sims Recycling Solutions UK Limited	UK	100%	100%

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING % 2010	2009
United Castings Limited	UK	100%	100%
Sims Group UK Pension Trustees Limited	UK	100%	100%
Sims Group Holdings 1 Pty Ltd	Australia	100%	100%
Sims Group Holdings 2 Pty Ltd	Australia	100%	100%
Sims Metal Management USA GP	USA	100%	100%
Sims Group USA Holdings Corporation	USA	100%	100%
SHN Co LLC	USA	100%	100%
HNW Recycling LLC	USA	100%	100%
HNE Recycling LLC	USA	100%	100%
Dover Barge Company	USA	100%	100%
North Carolina Resource Conservation LLC	USA	100%	100%
Simsmetal East LLC	USA	100%	100%
Sims Municipal Recycling of New York LLC	USA	100%	100%
Schiabo Larovo Corporation	USA	100%	100%
Simsmetal West LLC	USA	100%	100%
Sims Group Global Trade Corporation	USA	100%	100%
Sims Group USA Corporation	USA	100%	100%
Metal Management Inc	USA	100%	100%
MM Metal Dynamics Holdings Inc	USA	100%	100%
Metal Dynamics LLC	USA	100%	100%
Metal Dynamics Detroit LLC	USA	100%	100%
TH Properties LLC	USA	100%	100%
Metal Management Midwest Inc	USA	100%	100%
CIM Trucking Inc	USA	100%	100%
Metal Management Indiana Inc	USA	100%	100%
Metal Management Memphis LLC	USA	100%	100%
Metal Management Ohio Inc	USA	100%	100%
SMM — North America Trade Corporation	USA	100%	100%
Metal Management Pittsburgh Inc	USA	100%	100%
Metal Management Aerospace Inc	USA	100%	100%
Metal Management West Coast Holdings Inc	USA	100%	100%
Metal Management West Inc	USA	100%	100%
Metal Management Arizona LLC	USA	100%	100%
Proler Southwest GP Inc	USA	100%	100%
Metal Management Proler Southwest Inc	USA	100%	100%
Proler Southwest LP	USA	100%	100%
Metal Management Alabama Inc	USA	100%	100%
Metal Management Mississippi Inc	USA	100%	100%
Naporano Iron & Metal Inc	USA	100%	100%
Metal Management Northeast Inc	USA	100%	100%
Metal Management Connecticut Inc	USA	100%	100%
New York Recycling Ventures Inc	USA	100%	100%
Metal Management New Haven Inc	USA	100%	100%
Reserve Iron & Metal Limited Partnership	USA	100%	100%
Port Albany Ventures LLC (ii)	USA	100%	50%

(i) These subsidiaries and the Company are parties to a DCG under which each entity guarantees the debts of the others. The above entities represent a Closed Group and an Extended Closed Group for the purposes of the relevant Australian Securities and Investments Commission Class Order.

(ii) These subsidiaries were acquired or incorporated during the year.

The voting power held in each subsidiary is proportionate to the equity holdings.

NOTE 28 — SUBSIDIARIES (CONTINUED)

DEED OF CROSS GUARANTEE

Sims Metal Management Limited, Sims Group Australia Holdings Limited, Sims Aluminium Pty Limited and Simsmetal Services Pty Limited are parties to a DCG under which each Group guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirements to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The above companies represent a "Closed Group" for the purposes of the Class Order. As there are no other parties to the DCG that are controlled by Sims Metal Management Limited, they also represent the "Extended Closed Group".

Set out below is a condensed consolidated income statement, a summary of movements in consolidated retained earnings and a consolidated statement of financial position for the Closed Group.

	2010 A$M	2009 A$M
(i) Condensed consolidated income statement		
Profit before income tax	40.6	244.3
Income tax expense	(12.5)	(1.4)
Profit after tax	28.1	242.9
(ii) Summary of movements in consolidated retained earnings		
Balance at 1 July	172.9	113.6
Transfer to reserves	(0.6)	—
Profit for the year	28.1	242.9
Actuarial (loss)/gain on defined benefit plan, net of tax	(7.3)	2.9
Dividends provided for or paid	(38.6)	(186.5)
Balance at 30 June	154.5	172.9
(iii) Consolidated statement of financial position		
ASSETS		
Current assets		
Cash and cash equivalents	16.5	19.3
Trade and other receivables	385.5	275.0
Current tax receivable	—	16.6
Inventory	137.4	82.3
Other financial assets	—	3.1
Total current assets	539.4	396.3
Non-current assets		
Receivables	2.0	2.4
Investments accounted for using the equity method	19.9	18.5
Other financial assets	2,502.7	2,303.0
Property, plant and equipment	103.0	101.5
Deferred tax assets	22.0	15.4
Goodwill	14.9	15.3
Intangible assets	0.4	0.5
Total non-current assets	2,664.9	2,456.6
Total assets	3,204.3	2,852.9
LIABILITIES		
Current liabilities		
Trade and other payables	143.1	266.5
Other financial liabilities	4.0	0.8
Current tax liabilities	25.3	—
Provisions	9.7	12.2
Total current liabilities	182.1	279.5
Non-current liabilities		
Deferred tax liabilities	9.5	4.4
Provisions	7.0	8.8
Retirement benefit obligations	4.0	6.1
Total non-current liabilities	20.5	19.3
Total liabilities	202.6	298.8
Net assets	3,001.7	2,554.1
EQUITY		
Contributed equity	2,795.2	2,352.9
Reserves	52.0	28.3
Retained earnings	154.5	172.9
Total equity	3,001.7	2,554.1

NOTE 29 — INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(A) CARRYING AMOUNTS OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

NAME OF ASSOCIATE OR JOINTLY CONTROLLED ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST %		CARRYING AMOUNT	
		2010	2009	2010 A$M	2009 A$M
SA Recycling LLC	USA	50%	50%	**314.3**	329.9
Metal Management Nashville LLC	USA	50%	50%	**14.0**	22.4
Rondout Iron & Metal LLC	USA	50%	50%	**0.9**	0.6
Port Albany Ventures LLC1	USA	100%	50%	**—**	6.6
Richmond Steel Recycling Ltd	Canada	50%	50%	**19.8**	21.6
LMS Generation Pty Ltd	Australia	50%	50%	**19.9**	18.5
Australia Refined Alloys Pty Ltd	Australia	50%	50%	**—**	—
Extruded Metals Ltd	New Zealand	33%	33%	**0.6**	0.6
				369.5	400.2

1 On 18 November 2009, the Group obtained control of Port Albany by acquiring the remaining 50% of the joint venture. As a result, the Group's equity interest in Port Albany increased from 50% to 100%.

(B) MOVEMENTS IN CARRYING AMOUNTS

	2010 A$M	2009 A$M
Balance at 1 July	**400.2**	332.2
Share of profit before tax	**17.5**	57.6
Associates share of income tax expense	**(2.4)**	(2.6)
Accretion of deferred gain to equity accounted profit	**2.7**	3.2
Dividends received	**(19.6)**	(41.5)
Return of capital from jointly controlled entities	**(0.4)**	(3.6)
Purchase of remaining 50% interest in Port Albany	**(5.6)**	—
Impairment of investment in Metal Management Nashville LLC	**(5.7)**	—
Other	**—**	1.7
Foreign exchange differences	**(17.2)**	53.2
Balance at 30 June	**369.5**	400.2
(c) Share of associates' and jointly controlled entities' profit		
Profit before income tax	**14.5**	60.8
Associates' share of income tax expense	**(2.4)**	(2.6)
Profit after income tax recognised in equity accounted investment	**12.1**	58.2
Jointly controlled entities income tax[1]	**(2.4)**	(19.2)
Associates' and jointly controlled entities' profit after tax	**9.7**	39.0

1 The jointly controlled entities to which this relates are "pass-through" entities for taxation purposes. As such, the Group incurs the income tax expense and associated tax liability on its share of the profit and includes this amount as part of its income tax expense. Refer to Note 8.

(C) PORT ALBANY

At 30 June 2009, the Group held a 50% interest in Port Albany. This jointly controlled entity was accounted for using the equity method. On 18 November 2009, the Group purchased the remaining 50% ownership interest in Port Albany that it previously did not own. In accordance with the revised AASB 3 (IFRS 3) and AASB 127 (IAS 27), the Group was required to remeasure its previously held equity interest in Port Albany at its acquisition-date fair value and recognise the resulting gain or loss in profit or loss. This transaction resulted in the recognition of a gain calculated as follows:

	A$M
Fair value of 50% interest in Port Albany	14.3
Carrying amount of Port Albany investment	(5.6)
Gain recognised on acquisition	8.7

NOTE 29 — INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

(D) SA RECYCLING LLC

On 1 September 2007, the Group completed the merger of its Southern Californian metal recycling assets with those of Adams Steel LLC. The jointly controlled entity, SA Recycling LLC, operates within a territory encompassing Southern California, Arizona, Southern Nevada and Northern Mexico. In accordance with AASB 128 (IAS 28) *Investments in Associates* and AASB 131 (IAS 31) *Interests in Joint Ventures,* the SA Recycling LLC is a jointly controlled entity accounted for under the equity method.

The fair values of assets and liabilities contributed to SA Recycling LLC at 1 September 2007 were as follows:

	BOOK VALUE A$M	FAIR VALUE A$M	NON-CASH GAIN A$M
Property, plant and equipment	71.4	79.8	(8.4)
Goodwill and intangible assets	196.5	265.7	(69.2)
Non-current provisions	(3.2)	(3.2)	—
	264.7	342.3	(77.6)

In accordance with UIGI 113 (SIC 13) *Jointly Controlled Entities — Non-Monetary Contributions by Venturers,* the portion of the non-cash gain attributable to the equity interest of the other venturer, in this instance 50%, was recognised immediately on contribution of assets to the SA Recycling LLC jointly controlled entity. This has been recognised in other income as disclosed in Note 6. The remaining 50% of the non-cash gain for intangibles has been allocated to reduce the cost of the equity accounted investment and will be recognised progressively over the remaining useful life of the assets to which it relates. The remaining 50% of the non-cash gain for property, plant and equipment has been allocated to reduce the cost of the equity accounted investment and will be recognised if the land to which the gain relates is sold.

(E) SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

GROUP'S SHARE OF ASSETS AND LIABILITIES	2010 A$M	2009 A$M
Current assets	**104.0**	92.1
Non-current assets	**289.8**	313.4
Total assets	**393.8**	405.5
Current liabilities	**30.0**	34.1
Non-current liabilities	**100.0**	102.2
Total liabilities	**130.0**	136.3
Net assets	**263.8**	269.2

GROUP'S SHARE OF REVENUE, EXPENSES AND RESULTS	2010 A$M	2009 A$M	2008 A$M
Revenues	**596.3**	814.2	699.9
Expenses	**(578.8)**	(756.6)	(637.6)
Profit before income tax	**17.5**	57.6	62.3

(F) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group's share of the contingent liabilities of associates and jointly controlled entities is disclosed in Note 22. The Group's share of the capital commitments and other expenditure commitments of associates and jointly controlled entities is disclosed in Note 23.

(G) JOINTLY CONTROLLED OPERATIONS

The Group accounts for its 50% interest in Sims Pacific Metals joint venture under the proportionate consolidation method. Sims Pacific Metals is an unincorporated joint venture based in New Zealand and its principal activity is metal recycling.

The Group's interest in the jointly controlled operation is included in the statement of financial position under the classifications shown below:

	2010 A$M	2009 A$M
Current assets	**17.0**	10.2
Non-current assets	**6.9**	7.6
Total assets	**23.9**	17.8
Current liabilities	**18.9**	10.2
Non-current liabilities	**0.1**	3.2
Total liabilities	**19.0**	13.4
Net assets	**4.9**	4.4

The Group's share of the jointly controlled operations' contingent liabilities and capital expenditure commitments is included in Notes 22 and 23, respectively.

NOTE 30 — RELATED PARTY TRANSACTIONS

(A) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 25.

(B) OUTSTANDING LOANS OR BALANCES ARISING FROM TRANSACTIONS WITH RELATED ENTITIES

There were no outstanding loans or balances at the end of the reporting period in relation to transactions with related parties.

(C) TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	2010 A$M	2009 A$M
Superannuation contribution to superannuation funds on behalf of employees	**5.7**	7.7

(D) TRANSACTIONS WITH ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	2010 A$M	2009 A$M	2008 A$M
Sales	**85.0**	70.7	8.3
Purchases	**764.2**	1,139.6	689.6
Management fees and commissions	**10.7**	11.5	10.0
Other costs	**0.2**	0.4	0.3

(E) OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	2010 A$M	2009 A$M
Current receivables	**4.0**	16.3
Current payables	**42.1**	18.8

(F) TERMS AND CONDITIONS

The terms and conditions of the tax funding agreement are set out in Note 8. Loans from subsidiaries are at call and bear no interest. All other transactions were made on normal commercial terms and conditions and at market rate.

NOTE 31 — PARENT ENTITY FINANCIAL INFORMATION

The Company was incorporated on 20 June 2005. Under the terms of a scheme of arrangement entered into between Sims Metal Management Limited (formerly known as Sims Group Limited from 20 June 2005 to 21 November 2008) and Sims Group Australia Holdings Limited (ÒSGAHLÓ) (formerly known as Sims Group Limited prior to 20 June 2005) on 31 October 2005, the shareholders in SGAHL exchanged their shares in that entity for the shares in Sims Metal Management Limited. As required by AASB 3 (IFRS 3), *Business Combinations*, SGAHL was deemed to be the acquirer in this business combination. This transaction has therefore been accounted for as a reverse acquisition. Accordingly, the consolidated Financial statements of Sims Metal Management Limited have been prepared as a continuation of the consolidated Financial statements of SGAHL. SGAHL, as the deemed acquirer, has applied purchase accounting for its acquisition of Sims Metal Management Limited as at 31 October 2005.

(A) SUMMARY FINANCIAL INFORMATION

	2010 A$M	2009 A$M
Statement of Financial position		
Current assets	20.4	14.7
Total assets	4,252.1	4,041.4
Current liabilities	75.6	284.8
Total liabilities	77.5	284.8
Shareholder's equity		
Contributed equity	4,115.9	3,673.6
Reserves	53.7	38.4
Retained earnings	5.0	44.6
	4,174.6	3,756.6
(Loss)/profit for the year	(1.0)	230.2
Total comprehensive (loss)/income	(1.0)	230.2

The Company has current liabilities greater than current assets. The current liabilities primarily represent intercompany balances between entities which are a party to a DCG to which the Parent is also a party. Refer to Note 28.

(B) GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The Parent has not provided Financial guarantees for which a liability has been recognised in the Parent's statement of Financial position.

(C) CONTINGENT LIABILITIES OF THE PARENT ENTITY

	2010 A$M	2009 A$M
Bank guarantees — subsidiaries	39.9	54.8
Borrowing guarantee — SA Recycling LLC	—	83.9
	39.9	138.7

As at 30 June 2010, SA Recycling LLC refinanced its debt obligations and the Company has not guaranteed the new credit facility.

(D) LEASE COMMITMENTS

	2010 A$M	2009 A$M
Not later than one-year	2.1	1.1
Later than one-year, but not later than three-years	4.3	3.9
Later than three-years, but not later than Five-years	4.4	3.9
Later than Five-years	51.2	50.4
Total lease commitments not recognised as liabilities	62.0	59.3

On 29 May 2009, the Company entered into a lease agreement for property in the United States. The property is being sub-leased to a Group subsidiary in the United States.

NOTE 32 — EARNINGS PER SHARE

	2010	2009	2008
Earnings/(loss) per share as previously reported (in cents)			
Basic	64.9	(82.9)	310.9
Diluted	64.5	(82.9)	307.9
Effect of equity issue[1]	—	0.4	(1.6)
Earnings/(loss) per share as restated (in cents)			
Basic	64.9	(82.5)	309.3
Diluted	64.5	(82.5)	306.3
Weighted average number of shares used in the denominator ('000)			
Number of shares for basic earnings per share	194,417	181,247	141,574
Effect of equity issue[1]	929	924	722
Basic shares	195,346	182,171	142,296
Dilutive effect of share-based awards	1,129	—	1,374
Diluted shares	196,475	182,171	143,670

1 In accordance with AASB 133 (IAS 33) Earnings Per Share, an adjustment to shares issued is required in the calculation of earnings per share when shares are offered to existing shareholders at a discount to the market price. This gives rise to a retrospective restatement of the weighted average number of shares.

Due to the loss after tax for the year ended 30 June 2009, the dilutive effect of share-based awards, which was 899,000 shares, was not included as the result would have been anti-dilutive.

Share awards granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. Details relating to share awards are set out in Note 24.

NOTE 33 — CASH FLOW INFORMATION

(A) RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2010 A$M	2009 A$M	2008 A$M
Profit/(loss) for the year	126.7	(150.3)	440.1
Adjustments for non-cash items:			
Depreciation and amortisation	143.9	170.8	95.1
Net gain on contribution of assets to SA Recycling LLC	—	—	(38.8)
Unrealised (gain)/loss on held for trading derivatives	(3.7)	10.3	(3.9)
Impairment of goodwill	—	191.1	3.3
Impairment of property, plant and equipment	14.5	10.0	0.1
Impairment of intangible assets	0.9	—	—
Net (gain)/loss on disposal of non-current assets	(3.0)	(0.9)	1.9
Loss on sale of subsidiaries	—	2.6	—
Share-based payments	16.9	9.3	13.4
Non-cash pension expense	1.5	1.6	0.5
Non-cash compensation	—	0.8	—
Negative goodwill recognised on acquisition	—	(0.4)	—
Equity accounted profit net of dividends received	5.1	(16.7)	(55.3)
Gain on acquisition of Port Albany Ventures LLC	(8.7)	—	—
Other	(0.3)	0.2	0.3
Change in operating assets and liabilities, excluding the effects of acquisitions and disposals of entities:			
(Increase)/decrease in trade and other receivables	(240.7)	492.8	(176.6)
(Increase)/decrease in inventories	(339.6)	543.4	(407.6)
(Increase)/decrease in prepayments	(2.8)	1.7	18.6
(Decrease)/increase in provisions	(7.7)	(10.2)	24.2
Increase/(decrease) in income taxes	106.8	(194.8)	80.3
(Decrease)/increase in deferred taxes	(11.1)	38.8	(11.2)
Increase/(decrease) in trade and other payables	153.8	(545.7)	263.1
Net cash (outflow)/inflow from operating activities	(47.5)	554.4	247.5

NOTE 33 — CASH FLOW INFORMATION (CONTINUED)

(B) RECONCILIATION OF CASH

Cash at the end of the Financial year as shown in the statements of cash flows is reconciled to the related items in the statements of Financial position as follows:

	2010 A$M	2009 A$M
Cash at bank and on hand	132.2	59.1
Short-term deposits	0.1	10.4
Cash and cash equivalents	132.3	69.5

The carrying amount of the Group's cash and cash equivalents is assumed to approximate their fair value.

(C) NON-CASH INVESTING AND FINANCING ACTIVITIES

(i) During the year ended 30 June 2010, dividends of A$9.2 million (2009: A$26.6 million; 2008: A$18.1 million) were paid via the issue of ordinary shares pursuant to the DRP. Refer to Note 21.

(ii) On 14 March 2008, the Company acquired 100% of the share capital of Metal Management Inc for A$1,500.6 million. The consideration given consists of 53,473,817 ordinary shares in Sims Metal Management Limited with a fair value of A$1,490.1 million and A$10.5 million of fully vested share options assumed at fair value. Refer to Note 27.

(iii) On 1 September 2007, the Group completed the merger of its Southern Californian metal recycling assets with those of Adams Steel LLC, amounting to an investment of A$342.3 million. For details of the assets and liabilities contributed to the SA Recycling joint venture, refer to Note 29.

NOTE 34 — EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 4 August 2010, the Group purchased the electronic recycling assets of Wincanton PLC in the United Kingdom. The purchase price was not material to the Group.

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Report of Independent Registered Public Accounting Firm

To the Members of SA Recycling, LLC:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in equity and cash flows present fairly, in all material respects, the financial position of SA Recycling, LLC and its subsidiaries (the "Company") at June 30, 2010 and 2009, and the results of its operations and its cash flows for the three fiscal years in the period ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 16 to the consolidated financial statements, the Company has entered into significant transactions with Global Trade, a related party.

/s/ PricewaterhouseCoopers LLP

August 3, 2010

SA Recycling, LLC and Subsidiaries
Consolidated Balance Sheets
June 30, 2010 and 2009

(in thousands of dollars)	2010	2009
Assets		
Current assets		
Cash	$ 4,743	$ 3,604
Receivables		
Trade, net of allowance for doubtful accounts of $27 and $138 at June 30 2010 and 2009, respectively	19,726	10,131
Related party	23,361	12,258
Other	365	292
Inventories	70,112	48,432
Restricted cash	—	10,000
Wear parts and spares	10,056	11,067
Other current assets	2,521	2,759
Total current assets	130,884	98,543
Property, plant and equipment, net	207,511	205,800
Intangible assets, net	34,797	43,273
Goodwill	163,252	163,252
Other assets	7,911	4,518
Total assets	$544,355	$515,386
Liabilities and Equity		
Current liabilities		
Cash overdrafts	$ 3,802	$ 9,022
Accounts payable	18,339	8,977
Accrued liabilities	8,067	5,850
Environmental liabilities	900	1,425
Related party payables	2,908	13,099
Current portion of long-term debt	7,143	271
Other current liabilities	1	28
Total current liabilities	41,160	38,672
Environmental liabilities, net of current portion	5,618	5,847
Deferred income tax liabilities	996	1,278
Long-term debt	142,857	131,357
Total liabilities	190,631	177,154
Commitments and contingencies (Note 12)		
Equity		
Members' equity	347,601	331,035
Noncontrolling interest	6,123	7,197
Total equity	353,724	338,232
Total liabilities and equity	$544,355	$515,386

The accompanying notes are an integral part of these consolidated financial statements.

SA Recycling, LLC and Subsidiaries
Consolidated Statements of Operations
Years ended June 30, 2010, 2009 and 2008

(in thousands of dollars)	2010	2009	2008
Revenue			
Gross sales	$894,115	$983,699	$921,928
Less:			
Freight out	(21,413)	(31,572)	(43,184)
Other	(13,976)	(11,642)	(8,961)
Total net revenue	858,726	940,485	869,783
Cost of sales (excluding depreciation)	720,988	742,145	709,702
General and administrative expenses	66,226	72,548	47,780
Depreciation and amortization expense	27,311	23,433	13,446
Income from operations	44,201	102,359	98,855
Other (income) expense, net			
Loss (income) from equity investment	67	(237)	(1,187)
Interest expense	2,479	7,200	4,843
Other income	(2,711)	(3,022)	(2,636)
Total other (income) expense, net	(165)	3,941	1,020
Income before provision for income taxes	44,366	98,418	97,835
Provision for income taxes	492	592	313
Net income	43,874	97,826	97,522
(Income) loss attributable to noncontrolling interest	(312)	132	—
Net income attributable to members	$ 43,562	$ 97,958	$ 97,522

The accompanying notes are an integral part of these consolidated financial statements.

SA Recycling, LLC and Subsidiaries
Statements of Changes in Equity
Years ended June 30, 2010, 2009 and 2008

(in thousands of dollars)	Adams Steel	Simsmetal West	Total Members' Equity	Non-controlling Interest	Total Equity
Balances at June 30, 2007	$ —	$ —	$ —	$ —	$ —
Members' contribution	73,762	210,199	283,961	—	283,961
Members' distribution	(43,937)	(43,937)	(87,874)	—	(87,874)
Net income	48,761	48,761	97,522	—	97,522
Balances at June 30, 2008	$ 78,586	$215,023	$293,609	$ —	$293,609
Noncontrolling interest resulting from acquisition of business	—	—	—	7,329	7,329
Members' distribution	(28,210)	(28,210)	(56,420)	—	(56,420)
Reduction in contributed capital (Note 2)	(338)	(3,774)	(4,112)	—	(4,112)
Reclassification of contributed capital (Note 2)	(6,897)	6,897	—	—	—
Net income (loss)	48,979	48,979	97,958	(132)	97,826
Balances at June 30, 2009	$ 92,120	$238,915	$331,035	$ 7,197	$338,232
Purchases of noncontrolling interest	(1,820)	(1,820)	(3,640)	(1,386)	(5,026)
Members' distribution	(11,135)	(11,135)	(22,270)	—	(22,270)
Reduction in contributed capital (Note 2)	(1,086)	—	(1,086)	—	(1,086)
Net income	21,781	21,781	43,562	312	43,874
Balances at June 30, 2010	$ 99,860	$247,741	$347,601	$ 6,123	$353,724

The accompanying notes are an integral part of these consolidated financial statements.

SA Recycling, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years ended June 30, 2010, 2009 and 2008

(in thousands of dollars)	2010	2009	2008
Cash flows from operating activities			
Net income	$ 43,874	$ 97,826	$ 97,522
Adjustment to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	27,311	23,433	13,446
Amortization of lease acquisition	34	—	—
Non cash inventory write-down	5,390	487	—
Equity method investment	67	(237)	(1,187)
Loss (gain) on sale of fixed assets	667	(266)	74
Provision for doubtful accounts	(111)	(148)	286
Deferred income taxes	(282)	(192)	—
Changes in operating assets and liabilities, net of effect of acquisitions and contributions from members			
Receivables	(9,557)	21,229	(9,470)
Related party receivables	(11,103)	154,513	(166,771)
Inventories	(27,070)	23,019	(4,580)
Wear parts and spares	1,011	(3,214)	(3,724)
Other current assets	238	(411)	(1,618)
Other assets	1	(310)	—
Cash overdrafts	(5,220)	(22,721)	24,476
Accounts payable	9,362	(20,510)	15,804
Accrued liabilities	2,217	(26,589)	31,259
Environmental liabilities	(754)	(1,224)	—
Related party payables	(10,191)	9,461	3,638
Other current liabilities	(27)	(38)	66
Net cash provided by (used in) operating activities	25,857	254,108	(779)
Cash flows from investing activities			
Acquisition of businesses, net of cash acquired	—	(57,952)	(120,466)
Purchase of property and equipment	(21,886)	(18,098)	(29,135)
Changes in restricted cash	10,000	(10,000)	—
Proceeds from sale of property and equipment	567	1,322	513
Other	—	—	155
Net cash used in investing activities	(11,319)	(84,728)	(148,933)
Cash flows from financing activities			
Proceeds on notes payable	—	—	5,000
Payments on notes payable	(878)	(5,651)	(254)
Proceeds on lines of credit	1,034,350	624,550	429,900
Payments on lines of credit	(1,065,100)	(632,600)	(291,100)
Proceeds on term loans	50,000	—	100,000
Payments on term loans	—	(100,000)	—
Purchases of noncontrolling interest	(5,026)	—	—
Payments for debt issuance costs	(4,475)	—	(1,615)
Payments of cash distributions to members	(22,270)	(56,420)	(87,874)
Net cash (used in) provided by financing activities	(13,399)	(170,121)	154,057
Net increase (decrease) in cash	1,139	(741)	4,345
Cash at beginning of period	3,604	4,345	—
Cash at end of period	$ 4,743	$ 3,604	$ 4,345
Supplemental cash flow information			
Cash paid for			
Income taxes	$ 876	$ 1,667	$ 246
Interest	2,211	4,924	4,385

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of dollars)

1. Organization, Business and Basis of Presentation

SA Recycling, LLC, a Delaware limited liability company, (the "Company"), was formed on June 4, 2007 pursuant to a plan to form a joint venture by the combination of operations of Adams Steel, LLC ("Adams Steel") and Simsmetal West LLC ("Simsmetal West") (collectively, the "Members") for the purpose of purchasing, processing and selling ferrous and non-ferrous scrap metals. The Company is a full service scrap metal recycling company with multiple locations located primarily throughout Southern California, which purchase and recycle all types of scrap metal including car bodies, appliances, non-ferrous metals, and construction and demolition materials. Other services include mobile car body smashing, demolition contracting, certified destruction services, green waste and oil filter recycling.

The Company formed a joint venture on September 1, 2007, at which time it received contributions of assets and liabilities from Adams Steel and Simsmetal West and began operations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its majority-owned and wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These changes had no significant impact on previously reported balance sheets, statements of operations or statements of cash flows.

Revenue Recognition

The Company's primary source of revenue is from the sale of processed ferrous and non-ferrous scrap metals. The Company also generates revenues from reselling new steel and performing other recycling services.

Revenues from ferrous and non-ferrous scrap metal sales are recognized when title and risk of loss have passed to the customer, the price is fixed and determinable and collectibility is reasonably assured. Revenues from services are recognized as the service is performed, when the price is fixed and determinable and collectibility is reasonably assured. Sales commissions and sales adjustments related to weight differences are recorded as a reduction to revenue in the "Other" line item on the statement of operations.

Revenues by product category were as follows for the years ended June 30:

	2010	2009	2008
Ferrous metals (including non-ferrous by-products)	$755,626	$793,014	$742,214
Non-ferrous metals	131,191	181,531	168,386
Other recycling services	7,298	9,154	11,328
Gross revenue	$894,115	$983,699	$921,928

Cash

Cash represents cash in banks and cash on hand. Cash balances at banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per bank. As of June 30, 2010 and 2009, and at various times throughout the years, the Company had deposits in excess of FDIC limits.

Restricted Cash

The revolving line of credit with Fifth Third Bank (Note 9) required a compensating balance of $10,000, which was legally restricted and recorded separately on the Company's balance sheet at June 30, 2009. As the revolving line of credit with Fifth Third Bank was paid in full on June 30, 2010, the contractual restriction was no longer required.

Accounts Receivable

Accounts receivable represents amounts due from customers on product and other sales. The carrying amount of accounts receivable approximates fair value. The Company's determination of the allowance for doubtful accounts receivable includes a number of factors, including the age of the balance, past experience with the customer account, changes in collection patterns and general industry conditions.

Concentrations of Credit Risk and Major Customers

Financial instruments that subject the Company to credit risk consist primarily of accounts receivable. Sales to related party customers accounted for approximately 70%, 84% and 78% of total gross sales for the years ended June 30, 2010, 2009 and 2008, respectively. One related party customer accounted for approximately 69%, 75% and 69% of total gross sales for the years ended June 30, 2010, 2009 and 2008, respectively. See Note 16 for additional information on the Company's related party activity.

Wear Parts and Spares

The Company's wear parts and spares consist of replacement parts and accessories used in the production process. These parts are expensed as used and are included in cost of sales in the statement of operations.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Major rebuilds and improvements are capitalized, while repairs and maintenance costs are expensed as incurred. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	20 to 39 years
Land improvements	5 to 20 years
Leasehold improvements	Lesser of useful life or remaining lease term
Plant and equipment	3 to 15 years

When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recorded in the consolidated statement of operations.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the assets acquired and liabilities assumed resulting from acquisitions. Goodwill and indefinite-lived intangible assets are not amortized but instead tested for impairment at least annually or more frequently should an event or circumstances indicate that a reduction in fair value of the reporting unit may have occurred. The Company tests for impairment in the third quarter of each year, or more frequently if events and circumstances warrant. Such events and circumstances may be a significant change in business climate, economic and industry trends, legal factors, negative operating performance indicators, significant competition, changes in strategy, or disposition of a reporting unit or a portion thereof. The Company performs its goodwill and indefinite-lived intangible assets impairment tests at the reporting unit and asset grouping level and has determined it operates under one reporting unit and asset grouping.

The annual evaluation for impairment of goodwill is based on a two-step test. The first step identifies potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill and other indefinite-lived intangible assets. If the fair value exceeds its carrying amount, these assets are not considered impaired and the second step of the test is unnecessary. If the carrying amount of goodwill exceeds their fair value, the second step measures the impairment loss, if any. The second step compares the implied fair value of these assets with their carrying amount. The implied fair value of goodwill is determined in the same manner as the amount of these assets recognized in a business combination. If the carrying amount of these assets exceed the implied fair value, an impairment loss is recognized in an amount equal to that excess. The annual evaluation for impairment of indefinite lived intangible assets is based upon a test which compares the fair value of the intangible assets to its carrying value. If the carrying value exceeds the fair value, an impairment loss is recorded for that excess.

Determining the fair value of a reporting unit or an indefinite-lived intangible asset is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, and future economic and market conditions. The

Company bases its fair value estimates on assumptions it believes to be reasonable but which are unpredictable and inherently uncertain. Actual future results may differ from the estimates.

There were no impairment losses recognized for the years ended June 30, 2010, 2009 and 2008.

Intangible Assets Subject to Amortization

Intangible assets subject to amortization that are acquired by the Company are carried at cost, less accumulated amortization. Depending on the materiality of the intangible asset acquired, the Company utilizes a valuation specialist to value intangible assets and assist the Company in the determination of the appropriate amortizable lives.

Long-Lived Assets

Long-lived assets such as property, plant and equipment, subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset.

There were no impairment losses recognized for the years ended June 30, 2010, 2009 and 2008.

Other Assets

Included in other assets as of June 30, 2010 and 2009, is $3,200 and $3,267, respectively, related to a 50% ownership interest in T&L Properties, Inc. The Company uses the equity method of accounting for this investment, with earnings and losses reported within other (income) expense, net, in the consolidated statements of operations. This investment has resulted in cumulative undistributed earnings of $3,200 as of June 30, 2010, that are included as a part of equity of the investment.

Also included in other assets as of June 30, 2010 is $4,475 of debt issuance costs related to the new term loan, revolving credit and letter of credit facility (Note 9). These costs will be amortized over the term of the facility.

Environmental Provision

The Company maintains a reserve based upon its estimated liability associated with environmental conditions caused by past operations. A reserve is established when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company maintained an environmental reserve at June 30, 2010 and 2009 of $6,518 and $7,272, respectively. These estimated liabilities are subject to revision in future periods based on actual costs or new information.

Fair Value of Financial Instruments

The carrying amount of financial instruments, consisting of cash, trade accounts and other receivables, accounts payable, short-term borrowings and other liabilities, approximates their fair values at the balance sheet dates due to their relatively short maturities.

Noncontrolling Interest

The Company acquired a controlling interest in Silver Dollar Recycling, LLC during fiscal 2009 (Note 4). On July 1, 2009, the Company adopted new guidance for the recognition and presentation of noncontrolling interest in a subsidiary. As of July 1, 2009, the noncontrolling interest was reclassified from mezzanine to permanent equity. Net income or loss attributable to the noncontrolling interest is still shown as a separate line item on the consolidated statement of operations and increases or reduces the noncontrolling interest account on the consolidated balance sheet. As of June 30, the net income attributable to the Company and transfers from the noncontrolling interest was as follows:

	2010	2009
Net income attributable to members	$43,562	$97,958
Transfers from the noncontrolling interest:		
Decrease in equity for purchase of Silver Dollar Recycling, LLC interest	(3,640)	—
Change from net income attributable to SA Recycling, LLC and net transfers from noncontrolling interest	$39,922	$97,958

Adjustments to Equity and Goodwill

Due to facts and circumstances identified in fiscal years 2010 and 2009, immaterial adjustments were made to members' equity and goodwill as follows:

i. Reclassification of contributed assets between goodwill and Simsmetal West members' equity of $3,774.

ii. Reclassification of members' equity from Adams Steel to Simsmetal West of $6,897.

iii. Reclassification between equity investment and Adams Steel members' equity of $338.

iv. Reclassification of the purchase price of Oxnard Metals, Inc. between goodwill and deferred tax liability of $1,577.

v. Reclassification between property, plant and equipment and Adams Steel members' equity of $1,086.

Income Taxes

The Company, as an LLC, operates as a limited liability company, which is treated as a partnership for income tax purposes and consequently is not subject to federal income taxes. For California tax purposes, the Company is subject to certain state franchise taxes. The Members are required to include their proportionate share of the Company's income or loss in their own tax returns.

A number of the Company's consolidated wholly owned subsidiaries are corporations. Income taxes for these entities are accounted for under the asset and liability method in accordance with the accounting for income taxes. Deferred income tax assets and liabilities are recognized for the

future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized.

On July 1, 2009, the Company adopted new guidance related to recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return (Note 14).

Comprehensive Income

There are no comprehensive income (loss) items other than net income. Comprehensive income equals net income for all of the periods presented.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (“FASB”) issued a new accounting standard for business combinations. The new standard establishes principles and requirements for the manner in which the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. The standard also provides guidance for recognizing and measuring the goodwill acquired in the business combination and disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The standard applies to business combinations that are consummated on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company adopted this standard on July 1, 2009, which did not have a significant impact on its financial position, results of operations, or cash flows as there have been no acquisitions that have consummated after July 1, 2009.

In April 2008, the FASB issued a new accounting standard over the determination of the useful lives of acquired intangible assets. The new standard amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under the impairment model. Under the new guidance, companies are required to consider their own historical experience in renewing or extending similar arrangements and in the absence of historical experience, companies are required to consider the assumptions that market participants would use regarding renewal or extension, adjusted for company-specific factors. The standard will be effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. It must be applied prospectively to intangible assets acquired after the effective date and early adoption is prohibited. The Company adopted this standard on July 1, 2009, which did not have a significant impact on its financial position, results of operations or cash flows.

In August 2008, the Emerging Issues Task Force ("EITF") issued a new accounting standard to clarify the initial recognition and measurement and subsequent measurement issues associated with accounting for equity method investments. The issue is effective for transactions occurring in the fiscal years beginning on or after December 15, 2008. The Company adopted this standard on July 1, 2009, which did not have a significant impact on its financial position, results of operations, or cash flows as there have been no transactions for which these investments exist consummated after July 1, 2009.

In August 2008, the EITF issued a new accounting standard to address the accounting for defensive intangible assets after initial measurement. The issue applies to all intangible assets acquired, including intangible assets acquired in a business combination, in situations in which the acquirer does not intend to actively use the asset but intends to hold the asset to prevent its competitors from obtaining access to the asset. The issue is effective for intangible assets acquired on or after the fiscal year beginning on or after December 15, 2008. The Company adopted this standard on July 1, 2009, which did not have a significant impact on its financial position, results of operations, or cash flows as the Company did not enter into a new business combination for which defensive intangible assets exist.

In April 2009, the FASB issued a position which clarifies initial recognition and measurement, subsequent measurement, and accounting and disclosures for assets and liabilities from contingencies in a business combination. The position has the same effective date as the revised business combination standard, which was effective for all business combinations on or after the beginning of fiscal years beginning on or after December 15, 2008. The Company adopted this position on July 1, 2009, which did not have a significant effect on its financial position, results of operations or cash flows as the Company has not enter into any new business combinations.

In August 2009, the FASB issued revised guidance regarding the measurement of liabilities at fair value which provides clarification that in circumstances where a quoted market price in an active market for an identical liability is not available, a reporting entity must measure fair value of the liability using one of the following techniques: 1) the quoted price of the identical liability when traded as an asset; 2) quoted prices for similar liabilities or similar liabilities when traded as assets; or 3) another valuation technique, such as a present value technique or the amount that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The statement becomes effective for the first reporting period beginning after August 2009. The Company is currently evaluating the impact, if any, this revised guidance will have on its financial position, results of operations and cash flows.

In January 2010, the FASB issued revised guidance regarding the disclosures for fair value measurement. The revised guidance includes the following changes: (i) new disclosures over transfers in and out of Level 1 and Level 2; (ii) additional disclosures regarding the activity in Level 3 such as purchases, sales, issuances and settlements on a gross versus net basis; (iii) improved disclosures over the level of disaggregation for each class of asset or liability that is being fair valued; and (iv) reiterated disclosure requirements for Level 2 and Level 3 assets and liabilities which include both the valuation techniques and inputs. The revised guidance is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activities within Level 3 which becomes effective for interim and annual periods beginning after December 31, 2010. The Company is currently evaluating the impact, if any, this revised guidance will have on its financial position, results of operations and cash flows.

(in thousands of dollars)

3. Significant Noncash Investing and Financing Transactions

The Company engaged in the following significant noncash investing and financing transactions with regards to the contributions received from Adams Steel and Simsmetal West on September 1, 2007:

	2010	2009	2008
Adjustments to contribution received from Adams Steel upon execution of Operating Agreement on September 1, 2007	$(1,086)	$(7,235)	$ 73,762
Adjustments to contribution received from Simsmetal West upon execution of Operating Agreement on September 1, 2007	$ —	$ 3,123	$210,199

The assets and liabilities contributed were recorded at net book value. The 2010 and 2009 activity reflects reclassifications made during 2010 and 2009 to the initial contributions recorded during the year ended June 30, 2008 (Note 2).

4. Acquisitions

Silver Dollar Recycling, LLC Acquisition

On September 5, 2008, the Company acquired 70.295% of the membership interest of Silver Dollar Recycling, LLC (“SDR”) for $59,674. SDR is in the business of purchasing, processing and selling ferrous and non-ferrous scrap metals. The following table summarizes the allocation of purchase price to the acquired assets and assumed liabilities of SDR at the date of acquisition.

Purchase consideration	
Cash consideration	$55,192
Promissory note	4,236
Direct transaction costs	246
	$59,674
Allocation	
Tangible assets acquired	
Cash	$ 1,722
Inventories	1,432
Property, plant and equipment	11,571
Identifiable intangible assets acquired	
Non-compete (amortization period of 4 years)	351
Tradename (amortization period of 15 months)	2,397
Supplier relationships (amortization period of 10 years)	23,252
Goodwill	26,752
Total assets acquired	67,477
Liabilities assumed	
Environmental liabilities	(474)
Noncontrolling Interest	(7,329)
	$59,674

Upon completion of purchase accounting, an indefinite-lived tradename was identified. In the fourth quarter of 2009, the Company converted the indefinite-lived tradename to definite lived and assigned a 15 month useful life. The Company has terminated the use of the existing tradename as of June 30, 2010.

The Amended and Restated Operating Agreement of SDR provided members with a total of 25.250% interests, the right, at their option, to require the Company to purchase or redeem all or part of their interests in SDR during the period from July 1, 2009 through December 31, 2011 (the “Put Option”). In conjunction with the Put Option, the Company had the right to purchase the remaining 4.455% interest in SDR during the same time periods of each year as the Put Option (the “Call Option”). The purchase price under the Put Option and Call Option was the purchase price that would have been paid for these interests under the original acquisition of the controlling interest of SDR, less proportionate distributions paid other than tax distributions, plus 5% per annum compounded annually.

During fiscal year 2010, the Company and the other members of SDR amended its operating agreement to extend the terms of the Put Option and Call Option to June 2016 for which their ability to exercise is limited to certain periods of time during each fiscal year. Also, the amendment to the operating agreement included a change to the purchase price for these options to include consideration for the members' proportionate share of the SDR net current assets and to adjust the compounded increase in purchase price from 5% to 4%. Finally, the amendment to the operating agreement also provided the Company with a Call Option with an indefinite term and also provided a certain member with a Put Option expiring in June 2015. The terms of these options are similar to those of the existing Put and Call Options as it relates to purchase price calculations and limitations on the members' ability to exercise the options.

Additionally in fiscal year 2010, members of SDR exercised their Put Options requiring the Company to purchase a total of 5.875% in interests for a total purchase price of $5,026.

On July 1, 2009, the Company adopted new standards for the accounting and reporting of noncontrolling interest in a subsidiary. This new guidance required the reclassification of the 23.830% and 29.705% noncontrolling interest in SDR from mezzanine equity to permanent equity at June 30, 2010 and 2009, respectively.

Pacific Coast Recycling LLC Acquisition

On May 23, 2008, the Company acquired 100% of the membership interest of Pacific Coast Recycling LLC ("PCR") for $111,788. PCR is in the business of purchasing, processing and selling ferrous and non-ferrous scrap metals. The following table summarizes the estimated allocation of purchase price to the acquired assets and assumed liabilities of PCR at the date of acquisition. As of June 30, 2008, the Company owed the seller of PCR $19,915 for the working capital adjustment, which was paid during fiscal year 2009.

Purchase consideration	
Cash consideration	$109,469
Direct transaction costs	2,319
	$111,788
Allocation	
Tangible assets acquired	
Accounts receivable	$ 21,338
Inventories	65,646
Prepaid expenses	1,241
Asset held for sale (Note 6)	5,711
Property, plant and equipment	37,210
Identifiable intangible assets acquired	
Supplier relationship (amortization period of 10 years)	2,478
Total assets acquired	133,624
Liabilities assumed	
Current liabilities	(21,345)
Long term debt	(491)
Total liabilities assumed	(21,836)
	$111,788

Oxnard Metals, Inc. Acquisition

On November 30, 2007, the Company acquired 100% of the common stock of Oxnard Metals, Inc. ("Oxnard") for $7,046. Oxnard is in the business of purchasing, processing and selling ferrous and non-ferrous scrap metals. The following table summarizes the final allocation of purchase price to the acquired assets and assumed liabilities of Oxnard at the date of acquisition.

Purchase consideration	
Cash consideration	$ 6,617
Direct transaction costs	429
	$ 7,046
Allocation	
Tangible assets acquired	
Cash	$ 365
Accounts and other receivable	345
Inventories	227
Property, plant and equipment	1,957
Identifiable intangible assets acquired	
Supplier relationships and other (amortization period of 7 to 10 years)	3,818
Goodwill	2,455
Total assets acquired	9,167
Liabilities assumed	
Current liabilities	(544)
Deferred tax liabilities	(1,577)
Total liabilities assumed	(2,121)
	$ 7,046

During the year ended June 30, 2008, the Company acquired 100% of three other entities. The total purchase price for these three acquisitions was $3,289.

(in thousands of dollars)

5. Inventories

Inventories are stated at the lower of cost or market. Cost for ferrous and non-ferrous metals is determined using the average cost method. Inventories consist of the following categories at June 30:

	2010	2009
Ferrous metals (including non-ferrous by-products)	$63,877	$41,644
Non-ferrous metals	6,096	6,610
Other	139	178
Total inventories	$70,112	$48,432

The Company makes certain assumptions regarding future demand and net realizable value in order to assess that inventory is properly recorded at the lower of cost or market. The assumptions are based on both historical experience and current information. Due to declines in the future selling prices of scrap metal in the first quarter of fiscal 2009 and in the fourth quarter of fiscal 2010, the Company recognized $487 and $5,390, respectively, of expense for production costs that could not be capitalized into inventory.

6. Property, Plant and Equipment

A summary of property, plant and equipment is as follows at June 30:

	2010	2009
Land	$ 75,953	$ 70,907
Buildings and land improvements	20,307	13,920
Leasehold improvements	8,026	11,330
Plant and equipment	136,672	127,277
Construction in progress	10,790	9,726
	251,748	233,160
Less: Accumulated depreciation	(44,237)	(27,360)
Property, plant and equipment, net	$207,511	$205,800

Depreciation expense amounted to $18,835, $17,070 and $10,485 for the years ended June 30, 2010, 2009 and 2008, respectively.

(in thousands of dollars)

7. Goodwill and Intangible Assets

The change in net carrying amount of goodwill was as follows for the years ending June 30:

	2010	2009
Balance as of July 1		
Goodwill	$163,252	$138,697
Adjustment (Note 2)	—	(2,197)
Accumulated impairment losses	—	—
	163,252	136,500
Goodwill acquired during the year	—	26,752
Impairment losses	—	—
Balance as of June 30		
Goodwill	163,252	163,252
Accumulated impairment losses	—	—
	$163,252	$163,252

Intangible assets consist of the following at June 30, 2010:

	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Intangible assets subject to amortization				
Supplier relationships	7 to 10 years	$44,800	$ (13,728)	$31,072
Tradenames	15 months	2,822	(2,822)	—
Other	Lesser of term of agreement or useful life	1,685	(1,210)	475
		49,307	(17,760)	31,547
Intangible assets not subject to amortization				
Permits		$ 3,250	$ —	$ 3,250
Total net intangible assets		$52,557	$ (17,760)	$34,797

Intangible assets consist of the following at June 30, 2009:

	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net
Intangible assets subject to amortization				
Supplier relationships	7 to 10 years	$44,800	$ (7,880)	$36,920
Tradenames	15 months	2,822	(571)	2,251
Other	Lesser of term of agreement or useful life	1,685	(833)	852
		49,307	(9,284)	40,023
Intangible assets not subject to amortization				
Permits		$ 3,250	$ —	$ 3,250
Total net intangible assets		$52,557	$ (9,284)	$43,273

Amortization expense amounted to $8,476, $6,363 and $2,961 for the years ended June 30, 2010, 2009 and 2008, respectively.

A summary of the expected amortization expense for the succeeding periods as of June 30, 2010 is as follows:

Fiscal years ending June 30,	
2011	$ 5,992
2012	5,970
2013	4,042
2014	3,056
2015	3,056
Thereafter	9,431
	$31,547

8. Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is offset by the assessment of the Company's or counterparty's non-performance risk. To determine fair value, the Company primarily utilizes reported market transactions and discounted cash flow analyses. The Company fair values all financial and nonfinancial assets and liabilities.

Long-Term Debt Instruments

The fair value of the long-term debt instruments are determined by a valuation model which is based on discounted future cash flows of the instruments using current market rates. The carrying amounts and fair values of the debt instruments were as follows at June 30:

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving credit	$100,000	$100,000	$130,750	$129,330
Term loan	50,000	50,000	—	—
Notes payable	—	—	878	878

9. Credit Facilities and Long-Term Debt

Credit facilities and long-term debt consist of the following at June 30:

	2010	2009
Noncurrent debt		
Revolving credit and letter of credit facility	$100,000	$130,750
Term loan	42,857	—
Other	—	607
Total long-term debt	142,857	131,357
Current debt		
Term loan	7,143	—
Other	—	271
Total current debt	7,143	271
Total debt	$150,000	$131,628

Revolving Credit and Letter of Credit Facilities

The Company maintained a $150,000 unsecured revolving line of credit and letter of credit facility, which had a maturity date of October 1, 2010 with Bank of America, N.A. (the “Credit Agreement”), in order to fund working capital requirements and other capital requirements to operate the business. The debt was severally guaranteed by both of the equity members of the Company.

Borrowings under the facility bore interest, at the Company’s option, at either the prime rate plus the applicable margin as defined in the Credit Agreement (ranging from -1.4% to -2.55%) or Eurocurrency rate loan (defined as London InterBank Offered Rates (“LIBOR”)) plus the applicable margin as defined in the Credit Agreement (ranging from 0.875% to 1.4%). Borrowings were deemed to be prime rate loans, unless a Eurocurrency rate loan was requested. The interest rate at June 30, 2009 was 1.19%.

In accordance with the Credit Agreement, the Company paid a quarterly unutilized facility fee calculated as 1/4 of 1% per annum times the daily amount available to be drawn under the facility, as well as for each standby letter of credit equal to the applicable margin (as defined in the agreement) times the daily amount available to be drawn under any letter of credit.

The Credit Agreement contained, among other provisions, certain defined financial and non-financial covenants including a maximum cash flow gearing ratio, interest coverage ratio, a minimum tangible net worth and the requirement to provide audited financial statements in

compliance with accounting principles generally accepted in the United States of America within 120 days of the Company's year end.

As of June 30, 2009, the Company had outstanding credit facility borrowings of $130,750, a standing letter of credit in the amount of $5,370, and $13,880 available to borrow. At June 30, 2009, the Company was in compliance with these covenants. On June 30, 2010, the Credit Agreement was paid in full and terminated. As such, the Company had no requirement to comply with the covenants as the agreement was terminated.

On September 10, 2008, the Company entered into a $50,000 unsecured revolving line of credit (the "2008 Credit Agreement"), which had a maturity date of June 30, 2010, with Fifth Third Bank and Union Bank of California, in order to fund working capital and for other general business purposes. The debt was severally guaranteed by both of the equity members of the Company. On March 29, 2010, the 2008 Credit Agreement was modified to increase the borrowing base to $65,000. Borrowings under the facility bore interest, at the Company's option, at either the prime rate plus 0.5% or LIBOR plus 2.25%. The rate to be used was determined upon each borrowing. In accordance with this agreement, the Company paid a quarterly unutilized facility fee calculated as 0.30% per annum times the daily amount available to be drawn under the facility, as well as 0.125% for each standby letter of credit equal to the applicable margin (as defined in the agreement) times the daily amount available to be drawn under any letter of credit.

The 2008 Credit Agreement contained, among other provisions, certain defined financial and non-financial covenants including a maximum cash flow gearing ratio, an interest coverage ratio, a minimum tangible net worth and the requirement to provide audited financial statements in compliance with accounting principles generally accepted in the United States within 90 days of the Company's year end.

As of June 30, 2009, the Company had no outstanding borrowings on this credit facility and was in compliance with these covenants. On June 30, 2010, the 2008 Credit Agreement was paid in full and terminated and therefore had no requirement to comply with these covenants as the 2008 Credit Agreement was terminated.

Term Loan

The Company maintained a one year $100,000 term loan agreement with Fifth Third Bank as the agent, of which $40,000 was funded by Fifth Third Bank, $40,000 was funded by California Bank & Trust and $20,000 was funded by HSBC. The term loan was paid in full during fiscal year 2009.

New Term Loan, Revolving Credit and Letter of Credit Facility

On June 30, 2010, the Company entered into a new facility with Bank of America, N.A., Fifth Third Bank, Wells Fargo Bank, N.A., California Bank & Trust, JPMorgan Chase Bank, N.A., and Union Bank, N.A. (the "2010 Credit Agreement"). Included in the 2010 Credit Agreement is a $50,000 term loan with a maturity date of June 30, 2014 and a $250,000 secured revolving line of credit, with a $100,000 sub-limit for letters of credit which matures on June 30, 2014. Borrowings are collateralized by substantially all of the Company's assets. As of June 30, 2010, the Company had outstanding term loan borrowings of $50,000, outstanding revolving credit borrowings of $100,000, a standby letter of credit in the amount of $5,370, and $144,630 available to borrow. The Company is required to repay the outstanding borrowings against the term loan in equal quarterly installments of $1,786 with the remaining balance due on June 30, 2014.

Interest rates on the outstanding indebtedness under the term loan portion of the 2010 Credit Agreement are based on either LIBOR plus a spread of between 2.00% and 3.50%, with the amount of the spread based on a pricing level tied to the Company's consolidated debt to capital ratio or a "Base Rate" established by taking the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. As of June 30, 2010, the term loan interest rate was LIBOR plus 2.50%.

Interest rates on the outstanding indebtedness under the revolving credit and letter of credit portion of the 2010 Credit Agreement are based on either LIBOR plus a spread of between 2.00% and 3.50%, with the amount of the spread based on a pricing level tied to the Company's consolidated debt to capital ratio or a "Base Rate" established by taking the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. In addition, quarterly commitment fees are payable on the unused portion of the credit facility at rates between 0.30% and 0.60% based on a pricing level tied to the Company's consolidated debt to capital ratio. Additionally, a letter of credit fee payable quarterly equals 1.25% per annum times the daily amount available to draw on such letters of credit. As of June 30, 2010, the revolving credit interest rate was LIBOR plus 2.50% with a commitment fee of 0.40%.

The 2010 Credit Agreement contains, among other provisions, certain defined financial and non-financial covenants including an asset coverage ratio, fixed charge coverage ratio, minimum tangible net worth and the requirement to provide audited financial statements in compliance with accounting principles generally accepted in the United States of America within 90 days of the Company's year end. As of June 30, 2010, which was the date the Company entered into this Credit Agreement, the Company was not subject to the financial covenants requirements at that time. Compliance with these new covenants is required on a quarterly basis commencing on September 30, 2010.

Other

Additionally, the Company had $878 as of June 30, 2009, of notes payable to various individuals as a result of 2008 acquisitions, which were paid in full during fiscal year 2010.

Annual maturities are as follows:

Years ending June 30,	
2011	$ 7,143
2012	7,143
2013	7,143
2014	128,571
	$150,000

10. Members' Equity

The Company was formed as a limited liability company ("LLC") in the State of Delaware on June 4, 2007. The Operating Agreement of SA Recycling, LLC (the "Operating Agreement") was made effective as of September 1, 2007 by and between Adams Steel and Simsmetal West, both limited liability companies organized in the State of Delaware. In consideration for assets received, both Adams Steel and Simsmetal West received a 50% percentage interest in the Company. The Company's profit and losses are allocated in proportion to the Members' respective percentage interest. Additional capital contributions are not permitted unless unanimously approved by all Members. If approved, contributions will be at pro rata portions of the aggregate capital contributions approved based on each Member's percentage interest. No Member has an obligation to make any loans or advances or guarantee any of the obligations, although they have chosen to guarantee certain obligations. Distributions are to be made, as determined by the Board of Directors and to the extent of available cash, pro rata according to the Members' unit percentage interests. Cash distributions will be made solely from cash available for distributions as defined in the Operating Agreement. Additionally, tax distributions will be made quarterly to each Member in accordance with the methodology established in the Operating Agreement. Total distributions of $11,135, $28,210 and $43,937 were made to each Member during the years ended June 30, 2010, 2009 and 2008, respectively.

11. Defined Contribution and Union Pension Plans

The Company has a 401(k) defined contribution plan (the "Plan") which covers substantially all employees of the Company. Plan participants may make voluntary contributions up to the lesser of 100% of their earnings or the statutory limitation. Employer contributions consist of qualified non-elective contributions equal to 3% of compensation and qualified non-elective contributions of 3% for income in excess of the social security wage base, but less than the stated maximum. These contributions are not subject to vesting under safe harbor provisions. Additionally, discretionary supplemental employer contributions in the year following each plan year end may be made. The discretionary contributions, if applicable, vest over a five-year service period; 20% vests after the first year and an additional 20% vests for each year of service to the Company thereafter. Expense related to the Plan was approximately $2,511, $1,565 and $1,485 for the years ended June 30, 2010, 2009 and 2008, respectively.

The Company made contributions to the union-sponsored trust fund, which provides pension benefits to employees covered by collective bargaining agreements. The Company's contributions amounted to $398 and $459 for the years ended June 30, 2010 and 2009, respectively.

(in thousands of dollars)

12. Commitments and Contingencies

Operating Leases

The Company has various operating lease agreements related to equipment and facilities, which expire at various dates through August 2024. Rent expense under such agreements was $14,160, $12,833 and $3,930 for the years ended June 30, 2010, 2009 and 2008, respectively. A summary of minimum future lease commitments under noncancelable long-term operating leases, including the anticipated exercise of lease extension options, for the succeeding periods as of June 30, 2010 is as follows:

Fiscal years ending June 30,	
2011	$13,802
2012	12,986
2013	11,079
2014	7,440
2015	6,094
Thereafter	32,294
	$83,695

Legal Matters

From time to time, the Company is involved in various litigation matters involving ordinary and routine claims incidental to its business. A portion of these matters result from environmental compliance issues and workers compensation related claims arising from the Company's operations. There are presently no legal proceedings pending against the Company, which, in the opinion of the Company's management, is likely to have a material adverse effect on its business, financial condition or results of operations.

Environmental Matters

The Company is subject to comprehensive local, state, federal and international regulatory and statutory environmental requirements relating to, among others, the acceptance, storage, treatment, handling and disposal of solid waste and hazardous waste, the discharge of materials into the air, the management and treatment of wastewater and storm water, the remediation of soil and groundwater contamination, the restoration of natural resource damages and the protection of employees' health and safety. The Company believes that it and its subsidiaries are in material compliance with currently applicable statutes and regulations governing the protection of human health and the environment, including employee health and safety. However, environmental legislation may in the future be enacted and create liability for past actions and the Company or its subsidiaries may be fined or held liable for such damages.

The Company's environmental risk analysis indicates that significant remedial costs are possible if regulatory actions are triggered; however, there are certain mitigating factors that decrease the likelihood that major remedial actions will be required over the next five years. The primary factor is that a majority of the known and suspected impacts at these facilities currently lack a regulatory trigger and a related factor is the industrial nature of the general site areas. These factors, in conjunction with plans to continue to expand the paved portions of the sites, serve to reduce the likelihood of new agency-driven remedial actions. To the extent that issues arise, the Company should continue to be able to address them through its normal operating and capital budgets. It

appears unlikely that the management of potential impact issues, in the aggregate, would significantly exceed the recorded reserve balance over the next five years.

The Company evaluates the adequacy of its environmental reserves on an annual basis in accordance with Company policy. Adjustments to the liabilities are made when additional information becomes available that affects the estimated costs to study or remediate any environmental issues or expenditures for which reserves were established.

13. Balance Sheet Information

Accrued Liabilities

Accrued liabilities consist of the following at June 30:

	2010	2009
Accrued payroll, bonus and other employee benefits	$ 7,406	$ 5,260
Other	661	590
	$ 8,067	$ 5,850

14. Income Taxes

The provision for income taxes primarily relates to tax on the income before provision for income taxes of the Company's wholly owned subsidiaries that are corporations.

Significant components of the income tax provision are as follows for the years ending June 30:

	2010	2009
Current		
Federal	$ 533	$ 652
State	241	132
	774	784
Deferred		
Federal	(242)	(166)
State	(40)	(26)
	(282)	(192)
Total income tax provision	$ 492	$ 592

Deferred tax liabilities consist of the following components as of June 30:

	2010	2009
Noncurrent deferred tax liabilities		
Intangible asset amortization	$ 966	$ 1,247
Other, net	30	31
Total deferred tax liabilities	996	1,278
Noncurrent deferred tax liabilities	$ 996	$ 1,278

On July 1, 2009, the Company adopted authoritative guidance over the accounting for uncertainty in income taxes. The guidance prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The literature also provides guidance on various related matters such as recognition, interest, penalties and required disclosures. Interest and penalties, if any, related to unrecognized tax benefits are recognized in income tax expense.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no uncertain tax positions requiring an adjustment to its consolidated financial statements. As of June 30, 2010, the Company has partnership and corporate tax returns for tax years 2007 through 2009 that remain open to examination by the Internal Revenue Service. The Company is also subject to certain state franchise taxes and all such tax returns for tax years 2006 through 2009 remain open to examination by the related states' taxing authorities.

15. Sales Commitments

The Company entered into a foreign sales agreement with Sims Group Global Trade Corporation ("Global Trade"), a subsidiary of Sims Metal Management Ltd, effective September 1, 2007. The Company appointed Global Trade on an exclusive basis to export the Company's ferrous goods to non-domestic locations (defined as locations outside of the United States of America and Mexico). As part of the agreement, the Company must make available to Global Trade no less than 85% of the Company's total inventory each month for foreign sales. The agreement defines total inventory as the existing ferrous inventory for the month and the forecasted ferrous inventory of scrap for the following 90 calendar days. The agreement terminates upon written notification by either party and 90 days notice.

(in thousands of dollars)

16. Related Party Transactions

In addition to those described elsewhere, the Company had the following transactions with related parties:

The Company's largest customer, Global Trade, is a related party. The Company experienced the following sales to and amounts due from Global Trade for the years ended June 30, 2010 and 2009 as part of operating activities:

2010	
Gross sales	$ 617,418
Total due to the Company	$ 21,928
2009	
Gross sales	$ 736,453
Total due to the Company	$ 12,065
2008	
Gross sales	$ 635,668
Total due to the Company	$ 153,014

The Company had aggregated related party payables of $2,908 and $13,099 at June 30, 2010 and 2009, respectively, to various Sims Metal Management entities.

During fiscal years 2010, 2009 and 2008, the Company purchased inventory of $36,588, $51,837 and $5,598, respectively, from various Sims Metal Management Entities and other related parties.

Additionally, the Company paid commissions during fiscal years 2010, 2009 and 2008, respectively, of $1,022, $0 and $0 to a Sims Metal Management Entity for its services as a commissioned sales agent.

17. Subsequent Events

The Company has performed an evaluation of subsequent events through August 3, 2010, which is the date the financial statements were available to be issued.

Exhibit 1.1

Constitution

of

Sims Metal Management Limited
ACN 114 838 630

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Corporations Act 2001

A Company Limited by Shares

Constitution

of

Sims Metal Management Limited

ACN 114 838 630

1. Preliminary

1.1 Definitions

In this Constitution, unless the context otherwise requires:

Act means the *Corporations Act 2001*;

ASIC means Australian Securities and Investments Commission;

ASX means Australian Stock Exchange Limited;

ASX Settlement means ASX Settlement Pty Limited;

Board means the Directors acting as a Board of Directors;

Business day has the same meaning as in the Listing Rules;

CHESS means the Clearing House Electronic Sub register System established and operated by ASX Settlement;

CHESS approved securities means securities approved by ASX Settlement in accordance with the Settlement Rules;

Company means Sims Metal Management Limited ACN 114 838 630;

Constitution means the constitution of the Company for the time being in force;

Directors means the directors of the Company from time to time, and in clause 35 includes alternate directors;

Financial Year has the meaning given to the term “financial year” in the Act;

Home Branch means the branch of the ASX designated to the Company by the ASX;

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver granted by ASX;

Member means a person who is entered in the Register as the holder of Shares in the capital of the Company;

Mitsui Associate means:

(a) a director of any company in the Mitsui Group;

(b) a director of an entity that controls any company in the Mitsui Group;

(c) if any company in the Mitsui Group is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity;

(d) spouses and de facto spouses of any person referred to in paragraphs (a) to (c) inclusive;

(e) the parents or children of any person referred to in paragraphs (a) to (d) inclusive; or

(f) any person who directly or indirectly (including as beneficiary under a trust) holds an equity or other ownership interest in any company in the Mitsui Group or an entity that controls any company in the Mitsui Group;

Mitsui Group means Mitsui & Co., Ltd and any related Body Corporate;

Mitsui Group Nominee has the meaning given in clause 19.6A(a);

Month means calendar month;

Office means the registered office for the time being of the Company;

Official List has the same meaning given to the term "official list" in the Listing Rules;

Register means the registers and/or sub registers of Members to be kept under the Act and the Listing Rules;

Related Body Corporate has the same meaning given to the term "related body corporate" in the Act;

Relevant Interest has the same meaning given to it in the Act;

Resolution means a resolution other than a Special Resolution;

Restricted Securities has the same meaning given to it in the Listing Rules;

Secretary means a person appointed as secretary of the Company and also includes any person appointed to perform the duties of secretary on a temporary basis and any duly appointed assistant secretary;

Settlement Rules means the settlement rules of the ASX Settlement as amended or replaced from time to time;

Shares means shares in the capital of the Company; and

Special Resolution has the same meaning given to the term "special resolution" in the Act.

1.2 *Corporations Act 2001* and Listing Rules definitions

In this Constitution, unless the context otherwise requires, if an expression is defined in, or given a meaning for the purposes of, the Act or the Listing Rules that expression has the same definition or meaning in this Constitution to the extent that it relates to the same matter for which it is defined or given a meaning in the Act or the Listing Rules.

1.3 Interpretation

In this Constitution, unless the context otherwise requires:

(a) a reference to:

(i) the singular includes the plural and the other way round;

(ii) a gender includes every gender;

(iii) the Act, any section, regulation or schedule of the Act or any other legislation is a reference to that law as amended, consolidated, supplemented or replaced;

(iv) **in writing** or **written** includes printing, lithography, photography and other means of representing or reproducing words in a visible form;

(v) **paid up** or **paid** includes credited as paid up or paid;

(vi) **dividend** includes bonus;

(vii) any person includes a reference to any individual, company, body corporate, association, partnership, firm, joint venture, trust or government agency;

(viii) a person includes the person's successors and legal personal representatives;

(ix) a body (including an institute, association, authority or government agency) whether statutory or not:

(A) which ceases to exist; or

(B) whose powers are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(x) the word **including** or **includes** means **including but not limited to** or **including without limitation**; and

(b) headings are for convenience only and must be ignored in interpreting this Constitution.

1.4 Replaceable rules not to apply

To the maximum extent permitted by the Act, the provisions of the Act which apply as replaceable rules are displaced completely by this Constitution in relation to the Company.

1.5 Constitution subject to the Act

This Constitution is subject to the Act. Where there is any inconsistency between a clause of this Constitution and the Act, the Act prevails to the extent of the inconsistency.

1.6 Listing Rules and Settlement Rules only to have effect if Company is listed

In this Constitution, a reference to the Listing Rules or Settlement Rules has effect only if at the relevant time the Company is admitted to the Official List and is otherwise to be disregarded.

1.7 Constitution subject to Listing Rules if Company is listed

If the Company is admitted to the Official List, the following clauses apply:

(a) Despite anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act must not be done.

(b) Nothing contained in this Constitution prevents an act being done that the Listing Rules requires to be done.

(c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

(d) If the Listing Rules require this Constitution to contain a provision and it does not contain that provision, this Constitution is deemed to contain that provision.

(e) If the Listing Rules require this Constitution not to contain a provision and it contains that provision, this Constitution is deemed not to contain that provision.

(f) If any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

1.8 Limited liability of members

The Company is a company limited by shares.

2. Share Capital

2.1 Allotment and issue of Shares under control of Directors

The Directors control the allotment and issue of Shares. Subject to the Act and the Listing Rules, the Directors:

(a) may allot, issue or otherwise dispose of Shares to any persons, on any terms and conditions, at that issue price and at those times as the Directors think fit;

(b) have full power to give any person a call or option over any Shares during any time and for any consideration as the Directors think fit; and

(c) may issue Shares with any preferential, deferred or special rights, privileges or conditions or with any restrictions (whether in regard to dividend, voting, return of Share capital or otherwise) as the Directors determine.

2.2 Company may issue preference Shares

The Company may issue preference Shares including preference Shares which are, or which at the option of the Company or holder may be, liable to be redeemed or converted into ordinary Shares.

2.3 Rights of holders of preference Shares

All preference Shares issued by the Company confer on the holders of those preference Shares:

(a) the same rights as holders of ordinary Shares to receive notices, reports and accounts and to attend general meetings of the Company; and

(b) the right to vote in each of the following circumstances and in no others:

(i) during a period when a dividend (or part of a dividend) for the Share is in arrears;

(ii) on a proposal to reduce the Company's share capital;

(iii) on a Resolution to approve the terms of a buy-back agreement;

(iv) on a proposal that affects rights attached to the Share;

(v) on a proposal to wind up the Company;

(vi) on a proposal to dispose of the whole of the Company's property, business and undertaking; and

(vii) during the winding up of the Company.

2.4 Deferred Shares

The Company may issue deferred Shares which confer on the holders of those Shares:

(a) the same rights as holders of ordinary Shares to receive notices, reports and accounts and to attend general meetings of the Company;

(b) no right to receive dividends;

(c) no rights to receive or participate in a distribution of surplus assets on a winding up; and

(d) the right to vote in each of the following circumstances and in no others:

(i) during a period when a dividend (or part of a dividend) for the Share is in arrears;

(ii) on a proposal to reduce the Company's share capital;

(iii) on a Resolution to approve the terms of a buy-back agreement;

(iv) on a proposal that affects rights attached to the Share;

(v) on a proposal to wind up the Company;

(vi) on a proposal to dispose of the whole of the Company's property, business and undertaking; and

(vii) during the winding up of the Company.

2.5 Non-voting Ordinary Shares

The Company may issue Non-voting Ordinary Shares which confer on the holders of those Shares:

(a) the same rights as holders of ordinary Shares to receive notices, reports and accounts and to attend general meetings of the Company;

(b) the same rights as holders of ordinary Shares to receive dividends;

(c) the same rights as holders of ordinary Shares to receive or participate in a distribution of surplus assets on a winding up;

(d) the right to vote in each of the following circumstances and in no others:

(i) during a period when a dividend (or part of a dividend) for the Share is in arrears;

(ii) on a proposal to reduce the Company's share capital;

(iii) on a Resolution to approve the terms of a buy-back agreement; (iv) on a proposal that affects rights attached to the Share;

(v) on a proposal to wind up the Company;

(vi) on a proposal to dispose of the whole of the Company's property, business and undertaking; and

(vii) during the winding up of the Company; and

(e) the right, obligation or ability to convert the Non-voting Ordinary Shares into ordinary Shares in accordance with their terms of issue.

2.6 Brokerage or commission

Subject to the provisions and restrictions contained in the Act and the Listing Rules, the Company may pay brokerage or commission to any person in consideration of that person subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in the Company or for procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any Shares in the Company. Any brokerage or commission may be paid or satisfied in cash, Shares, debentures or other securities of the Company or otherwise as the Directors determine.

2.7 Joint Holders

2 or more persons registered as the holders of any Share are deemed to hold the Share as joint tenants with benefits of survivorship, subject to the following provisions:

(a) the joint holders are jointly and severally liable for all payments (including calls and instalments) made for the Share;

(b) if a joint holder dies, the survivor or survivors are the only person or persons recognised by the Company as having any title to the Share, but the Directors may require evidence of death;

(c) any 1 joint holder may give a valid receipt for any dividend, bonus or return of capital payable to the joint holders; and

(d) delivery of a notice or a certificate for a Share to any joint holder is sufficient delivery to all the joint holders.

2.8 More than 3 persons registered

If more than 3 persons are noted in the Register as holders of securities of the Company, or a request is made to register more than 3 persons then (except in the case of executors or trustees or administrators of a deceased Member), the first 3 persons named in the Register or the request (as the case may be) are deemed to be the holders of those securities and no other persons will be regarded by the Company as a holder of those securities for any purpose.

2.9 Recognition of trusts or other interests

Subject to the provisions of the Act, the Company is entitled to treat the registered holder of any Shares as the absolute owner of those Shares and, accordingly, the Company is not bound to recognise (whether or not it has notice):

(a) a person as holding a Share on any trust; or

(b) any equitable, contingent, future or partial interest in any Share or unit of a Share.

3. Certificates

3.1 Certificated holdings

The provisions of this clause 3 apply only to the extent that the Company is required by the Act, the Listing Rules or the Settlement Rules to issue certificates for Shares or other marketable securities of the Company, and then only for those Shares or other marketable securities for which certificates are required to be issued.

3.2 Issue of certificates

Subject to this Constitution, where the Company is required by the Act, the Listing Rules or the Settlement Rules to issue certificates for Shares or other marketable securities of the Company, the certificates must be issued in accordance with the Act, the Listing Rules and Settlement Rules and must include all information required by the Act, the Listing Rules and Settlement Rules.

3.3 Entitlement of Member to certificate

Subject to this Constitution, every Member is entitled for free to 1 certificate for each class of Shares or other marketable securities registered in its name or to several certificates each for a reasonable proportion of those Shares or marketable securities.

3.4 Certificate for joint holders

Where Shares or other marketable securities are registered in the names of 2 or more persons, only 1 certificate is required to be issued for each class of those Shares or marketable securities.

3.5 Cancellation of certificate on transfer

(a) Subject to this Constitution, on every application to register the transfer of any Shares or other marketable securities or to register any person as a Member in respect of any Shares

or other marketable securities which may have been transmitted to that person by operation of law, the certificate for those Shares or other marketable securities must be delivered up to the Company for cancellation.

(b) The Company must issue a new certificate in similar form specifying the Shares or other marketable securities transferred or transmitted and deliver it to the transferee or transmittee within 5 business days after the registrable transfer or transmission notice is lodged with the Company.

(c) If registration is required for some only of the Shares or other marketable securities specified on the certificate delivered up to the Company, a new certificate specifying the Shares or other marketable securities remaining untransferred or untransmitted must be delivered to the transferor.

3.6 Replacement of certificates

(a) The Company must issue a replacement certificate:

(i) if the certificate is worn out or defaced, on production of the certificate to the Company to be replaced and cancelled; or

(ii) if the certificate is lost or destroyed, on the Company being furnished with:

(A) evidence that the certificate has been lost or destroyed, and has not been disposed of or pledged, as is required by the Act;

(B) an undertaking to return the certificate, if found, as required by the Act; and

(C) if the Directors consider it necessary, a bond or indemnity as the Act authorises the Directors to require.

(b) The Company must issue all replacement certificates within 5 business days after receiving the original certificate or evidence of loss or destruction.

4. CHESS

4.1 Participation in CHESS

While the Company is admitted to the Official List it must participate in CHESS to the extent required by the Listing Rules.

4.2 Compliance with Settlement Rules

The Company must comply with the Settlement Rules if any of its securities are CHESS approved securities. In particular the Company must comply with the requirements of the Settlement Rules and Listing Rules about maintenance of registers, issuing holding statements and transfers in relation to its CHESS approved securities.

4.3 Registers

If the Company's securities are CHESS approved securities, in addition to the CHESS sub register, the Company must provide for an issuer sponsored sub register, or a certificated sub register, or both (at least if the Company has Restricted Securities on issue).

4.4 No interference with transfer of quoted securities

The Company must not prevent, delay or interfere with the registration of a transfer of quoted securities or the registration of a paper-based transfer in registrable form (which satisfies the requirements of clause 8), except as permitted by clause 8.4, the Listing Rules or Settlement Rules.

5. Lien

5.1 Lien

(a) The Company has a first and paramount lien on every Share for:

(i) unpaid calls and instalments on those Shares;

(ii) any amount owing to the Company for Shares acquired under an employee incentive scheme; and

(iii) any amount the Company is required by law to pay (and has paid) in respect of the Share of a Member or deceased Member.

(b) A lien extends to reasonable interest at any rates the Directors may determine, and expenses incurred because the amount is not paid.

5.2 Extent of lien

The Company's lien on a Share extends to all dividends, bonuses and other moneys payable for the Share including the proceeds of sale of the Share. The Company may deduct or set-off against any dividends, bonuses or other moneys subject to the Company's lien any moneys due and payable to the Company.

5.3 Exemption from lien

The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of clauses 5.1 and 5.2.

5.4 Sale under lien

Subject to clause 7, the Company may sell or otherwise dispose of any Shares on which the Company has a lien in any manner if, and only if:

(a) an amount in respect of which the lien exists is presently payable (**the Sum**); and

(b) 30 days has expired from the Company giving written notice (**Notice**) to the registered holder of the Shares, or to the person entitled to the Shares because of the death or bankruptcy of the registered holder; and

(c) the Notice specified:

(i) the Sum; and

(ii) that payment must be made by a date at least 10 business days after the date of the Notice; and

(iii) a reasonable place and method for payment; and

(iv) that if payment were not made as required, the Shares would be sold under the lien; and

(d) the Notice has not been complied with.

5.5 Proceeds of sale of Shares sold under lien

The Company must:

(a) apply the net proceeds of Shares sold under lien (after payment of all costs and expenses incurred in selling the Shares) (**Net Proceeds**) in payment of the Sum; and

(b) pay the balance of the Net Proceeds to the person registered as the holder of the Shares immediately before the Shares were sold or as that person directs.

The remedy of any person aggrieved by the sale or disposal of its Shares under this clause is limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

5.6 Transfer on sale under lien

(a) The Company must register the purchaser as holder of the Shares transferred.

(b) The purchaser of the Shares transferred is not bound to see that the purchase money is properly applied as set out in this clause 5.

(c) The purchaser's title to the Shares is unaffected by any irregularity or invalidity in connection with the sale or the application of the purchase money.

5.7 Company may forfeit instead

If clause 7 applies to a Share on which a call is unpaid, the Company may choose which of the sale and other procedures under clauses 5 and 7 it will use. Choosing to use procedures under one of those clauses does not limit the Company's rights under the other clause.

6. Calls

6.1 Directors may make calls

(a) The Directors may make calls as they think fit on the Members for all moneys unpaid on Shares held by those Members which are not moneys made payable by the conditions of allotment at fixed times.

(b) A call is deemed to have been made when the Resolution of the Directors authorising that call was passed.

(c) A call may be made payable by instalments.

(d) The Directors may revoke or postpone a call.

6.2 Notice of calls

The Company must give written notice of a call at least 30 business days before the call is due. The notice must specify the time and place for payment and any other information required by the Listing

Rules. The non-receipt of any notice by, or the accidental omission to give notice of any call to, any Member will not invalidate the call.

6.3 Difference in terms of issue as to calls

The Directors may, on the issue of Shares, differentiate between the holders as to the amount of calls to be paid and the time for payment of those calls.

6.4 Fixed payments deemed calls

Any sum which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, will for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which the sum is payable. In case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise will apply as if the sum had become payable by virtue of a call duly made and notified.

6.5 Interest on sums not paid

A sum called in respect of a Share and not paid on or before the date for payment bears interest from the date for payment to the time of actual payment at any rates as the Directors may determine. The Directors may waive payment of interest, either in whole or in part.

6.6 Payment of calls

Each Member must pay the amount of every call made on it at the times and places appointed by the Directors.

6.7 Proof of calls

In any proceeding to recover moneys due for any call, it is sufficient and conclusive evidence of the debt if it is proved that:

(a) the name of the Member sued is entered in the Register as the holder or 1 of the holders of the Shares in respect of which the call was made; and

(b) the Resolution making the call was recorded in the minute book; and

(c) notice of the call was given to the Member sued in accordance with this Constitution.

6.8 Prepayment of calls

The Directors may receive from any Member willing to advance it, all or any part of the amount unpaid on the Shares held by that Member beyond the sums actually called up. The Directors may then either:

(a) if the Member so requests, make a call on the Member for the amount advanced, pro rata in respect of all Shares held by that Member on which moneys remain unpaid or on any other basis as agreed between that Member and the Directors; or

(b) authorise payment by the Company of interest on the whole or any part of the amount so received until the amount becomes due or is repaid at the rate agreed between the Member paying the sum in advance and the Directors. The Directors may at any time authorise repayment of the whole or any part of the amount paid in advance on giving the Member 1 Month’s notice of the date for repayment.

7. Forfeiture of Shares

7.1 Forfeiture on non-payment of calls

Unless the Directors otherwise determine, any Share on which a call is unpaid 14 days after the day for its payment has expired will be absolutely forfeited without any Resolution of the Directors or other proceeding being required. Subject to the Act and the Listing Rules, the Directors may then proceed to cancel or sell the forfeited Shares.

7.2 Evidence of forfeiture

A written statement declaring that the person making the statement is a Director or Secretary of the Company and that a Share in the Company has been forfeited on a date stated in the statement, is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the Share.

7.3 Effect of forfeiture

On forfeiture of a Share:

(a) the person whose Share is forfeited will cease to be a Member in respect of the forfeited Share;

(b) that person will lose all entitlements to dividends declared in respect of the forfeited Share and not actually paid; and

(c) that person remains liable to pay the Company all money which, at the date of forfeiture, was payable by it to the Company in respect of the forfeited Share together with interest on that amount from the date of forfeiture until payment at the rate determined by the Directors. The Directors are under no obligation to enforce payment.

7.4 Sale of forfeited Share

(a) If the Directors determine to sell any forfeited Shares, the Company may dispose of any forfeited Shares on any terms and in any manner as the Directors determine, and in accordance with any applicable requirements of the Act and the Listing Rules.

(b) The Company may do all things necessary to give effect to the sale of the forfeited Shares, including authorising a Director or any other person to:

  (i) execute a transfer of the Shares sold in favour of the purchaser of the Shares; and

  (ii) do all acts and things as are necessary or desirable under the Act, the Listing Rules or Settlement Rules, to effect a transfer and to enable the forfeited Shares to be disposed of.

(c) The Company must register the transferee as holder of the Shares forfeited.

(d) The transferee of the forfeited Shares is not bound to see that forfeit money is properly applied as set out in this clause 7. The transferee's title to the Shares is unaffected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Shares.

7.5 Proceeds of sale

The proceeds of sale of any forfeited Shares received by the Company must be applied in payment of:

(a) first, the expenses of the sale;

(b) secondly, any expenses necessarily incurred in connection with the forfeiture, including any interest accrued;

(c) thirdly, the calls then due and unpaid; and

(d) the balance (if any) must be paid to the Member whose Shares have been sold within 5 business days of the Company receiving the proceeds of sale.

7.6 Redemption of forfeited Shares

(a) A Share belonging to a person which has been forfeited may be redeemed at any time up to, but not including, the day on which the Share is intended to be sold, by payment to the Company of all calls due on the Share and any other costs and expenses which may be permitted by the Act and the Listing Rules, and on payment the person is entitled to the Share as if the forfeiture had not occurred.

(b) The remedy of any person aggrieved by the sale or disposal of its Shares under this clause is limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

7.7 Surrender of Shares

The Directors may accept the surrender of any Share which they are entitled to forfeit on any terms they think fit and any Share so surrendered may be disposed of in the same manner as a forfeited Share.

8. Transfer of Shares

8.1 Transfer document

Subject to this Constitution, the Act, the Listing Rules and Settlement Rules a Member may transfer all or any Shares by a transfer document duly stamped (if necessary) and delivered to the Company. The transfer document must be in writing in the usual or common form or in any other form as the Directors may from time to time prescribe or, in particular circumstances, agree to accept and must be signed by or on behalf of the transferor or as otherwise permitted by the Act.

8.2 Registration procedure

Subject to this Constitution, the Act, the Listing Rules and Settlement Rules every transfer document must be delivered to the Company accompanied by the certificate for the Shares to be transferred and any other evidence the Directors may require to prove the title of the transferor or its right to transfer the Shares. The Company must retain all transfer documents registered but any transfer document which the Directors refuse to register must (except in the case of fraud or suspected fraud) be returned on demand to the person who deposited that document.

8.3 Registration of transfer

Subject to clause 8.4, the Company must register each registrable paper-based transfer of Shares which complies with clauses 8.1 and 8.2, the Act and the Listing Rules and must do so without charge.

8.4 Restrictions on transfer

Except as otherwise provided for in the Listing Rules and Settlement Rules, the Directors may in their absolute discretion ask ASX Settlement to apply a holding lock to prevent a transfer, or refuse to register a paper-based transfer, of a Share where:

(a) the Company has a lien on the Shares the subject of the transfer;

(b) the Company is served with a court order that restricts a Member's capacity to transfer the Shares;

(c) registration of the transfer may break an Australian law and the ASX has agreed in writing to the application of a holding lock (which must not breach the Settlement Rules) or that the Company may refuse to register a transfer;

(d) if the transfer is paper-based, either a law related to stamp duty prohibits the Company from registering it or the Company is otherwise allowed to refuse to register it under the Listing Rules;

(e) the transfer does not comply with the terms of any employee incentive scheme of the Company;

(f) if the transfer is paper-based, registration of the transfer will create a new holding which at the time of the transfer is lodged is less than a marketable parcel as defined in the Listing Rules;

(g) the relevant Member has agreed in writing to the application of a holding lock (which must not breach the Settlement Rules) or that the Company may refuse to register a transfer; or

(h) if otherwise permitted under the Listing Rules.

8.5 Notice of refusal to register

(a) If the Company refuses to register a paper-based transfer under clause 8.4, it must tell the lodging party in writing of the refusal and the reason for it, within 5 business days after the date on which the transfer was lodged.

(b) If the Company asks ASX Settlement to apply a holding lock under clause 8.4, it must tell the holder of the Shares in writing of the holding lock and reason for it, within 5 business days after the date in which it asked for the holding lock.

8.6 Transfer not complete until name entered in the Register

Subject to the Settlement Rules, the transferor of a Share remains the holder of the Share until the name of the transferee is entered in the Register in respect of that Share.

9. Transmission of Shares

9.1 Death of a Member

If a Member dies:

(a) and the Member was a joint holder of any Shares, the surviving joint holder (or holders) is (or are) the only person (or persons) recognised by the Company as having any title to or interest in those Shares; and

(b) the legal personal representatives of the Member (not being 1 of 2 or more joint holders) are the only persons recognised by the Company as having any title to or interest in the Shares registered in its name.

9.2 Transmission on death or bankruptcy

Any person becoming entitled to a Share because a Member dies or becomes bankrupt, or otherwise by operation of law, on producing the evidence of entitlement which the Directors may require, may elect either to be registered personally as the holder of the Share or to have some person nominated by it registered as the transferee of that Share.

9.3 Election as to registration on transmission

If the person becoming entitled to a Share:

(a) elects to be registered personally, he or she must deliver or send to the Company a personally signed written notice stating that election; or

(b) elects to have another person registered, he or she must effect a transfer of the Share in favour of that person.

All the limitations, restrictions and provisions of this Constitution relating to the right to transfer, the form of transfer and the registration of transfers of Shares will be applicable to any notices or transfers.

10. Alteration of capital

10.1 Company's power to alter capital

The Company may, by Resolution passed at a general meeting:

(a) consolidate all or any of its Shares into Shares of a larger amount;

(b) subdivide its Shares or any of them into Shares of a smaller amount, but so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each subdivided Share is the same as it was for the Share from which the subdivided Share is derived; or

(c) cancel Shares which have been forfeited, subject to the requirements of the Listing Rules.

10.2 Dealing with fractions

Subject to the Act, the Directors may do anything required to give effect to any resolution which alters the Company's share capital. Where a Member becomes entitled to a fraction of a Share on a consolidation, this power includes:

(a) making cash payments;

(b) determining that fractions may be disregarded to adjust the rights of all parties;

(c) appointing a trustee to deal with any fractions on behalf of Members; and

(d) rounding up each fractional entitlement to the nearest whole Share by capitalising any amount available for capitalisation even though only some of the Members may participate in the capitalisation.

10.3 Reduction of capital

Subject to the Act and the Listing Rules, the Company may reduce its capital in any manner, including by way of distributing specific assets, including securities of the Company or of any other corporation, trust or entity.

10.4 Power to buy back Shares

The Company may, in accordance with the Act and the Listing Rules, buy back its own Shares on any terms and conditions determined by the Directors. The consideration paid for a buy back of Shares may include specific assets, including securities of the Company or of any other corporation, trust or entity.

11. Variation or cancellation of rights

11.1 Variation or cancellation of rights of class of Shares

Subject to the Act and the Listing Rules, all or any of the rights and privileges attached to any class of Shares (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or cancelled, including by converting or reclassifying Shares from one class to another:

(a) with the written consent of holders of at least 75% of the Shares issued in that class; or

(b) with the approval of a Special Resolution passed at a meeting of holders of the Shares of that class. The provisions of this Constitution relating to notice of meetings, quorum at a meeting, the appointment of a chairperson and of proxies, attorneys and representatives, the depositing and form and validity of proxies and the conduct of general meetings will apply to any meeting of that class to approve that Resolution.

11.2 No consent or sanction required for redemption

A consent or sanction referred to in clause 11.1 is not required to redeem any Shares or vary any other rights attaching to any Shares where that redemption or variation is in accordance with the terms of issue of those Shares.

11.3 No variation by issue of further Shares ranking equally

The rights conferred on the holders of the Shares of any class will not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking equally in respect of those rights.

12. Restricted Securities

The Company must comply with all the requirements of the Listing Rules relating to Restricted Securities. Despite any other provisions of this Constitution:

(a) Restricted Securities cannot be disposed of (as the term “disposed” is defined in the Listing Rules) during the escrow period for those Restricted Securities, except as permitted by the Listing Rules or the ASX;

(b) the Company must refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the escrow period for any Restricted Securities except as permitted by the Listing Rules or the ASX; and

(c) during a breach of the Listing Rules relating to Restricted Securities, or a breach of a restriction agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.

13. Proportional takeover bids

13.1 Definitions

In this clause 13:

Approving resolution has the same meaning as in section 648D of the Act;

Approving resolution deadline has the same meaning as in section 648D of the Act;

Associate has the meaning specified in section 9 of the Act for the purposes of Chapter 6 of the Act; and

Proportional takeover bid has the meaning specified in section 9 of the Act.

13.2 Prohibition on registration of transfer unless takeover scheme approved

Where an offer has been made under a proportional takeover bid in respect of Shares included in a class of Shares in the Company, registration of a transfer to effect a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed in accordance with this Constitution.

13.3 Approving resolution

An approving resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on that resolution under the Act.

13.4 Entitlement to vote on approving resolution

A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held Shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to 1 vote for each of those Shares.

13.5 Bidder and associates not entitled to vote

The bidder or an associate of the bidder is not entitled to vote on an approving resolution.

13.6 Approving resolution passed

An approving resolution is taken to have been passed if the proportion which the number of votes in favour of the resolution bears to the total number of votes on the Resolution is greater than 50%, and otherwise is taken to have been rejected.

13.7 General meeting provisions to apply

The provisions of this Constitution which apply to a general meeting of the Company apply, with any modifications as the circumstances require, to a meeting convened under this clause and apply as if that meeting were a general meeting of the Company.

13.8 Meeting to be held before approving resolution deadline

Where takeover offers have been made under a proportional takeover bid, then the Directors of the Company must ensure that a Resolution to approve the proportional takeover bid is voted on in accordance with this clause before the approving resolution deadline in relation to the proportional takeover bid.

13.9 Notice as to whether approving resolution is passed

Where a resolution to approve a proportional takeover bid is voted on in accordance with this clause, before the approving resolution deadline in relation to the proportional takeover bid, the Company must, on or before the approving resolution deadline:

(a) give to the bidder; and

(b) serve on the Home Branch;

a written notice stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed, or has been rejected, as the case may be.

13.10 Approving resolution deemed to have been passed

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no Resolution to approve the proportional takeover bid has been voted on in accordance with this clause, then a resolution to approve the proportional takeover bid is, for the purposes of this clause, deemed to have been passed in accordance with this clause.

13.11 Effect of this clause

This clause ceases to have effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

14. Unmarketable parcels

14.1 Definitions

In this clause:

Effective Date means the date immediately following the expiry of the period referred to in the notice given by the Company to Unmarketable Parcel Holders in accordance with this clause;

Marketable Parcel means a number of Shares equal to a marketable parcel as defined in the Listing Rules, calculated on the day before the Company gives notice under clause 14.2;

Unmarketable Parcel means a number of Shares which is less than a Marketable Parcel;

Unmarketable Parcel Holder means a Member holding an Unmarketable Parcel.

14.2 Notice to Unmarketable Parcel Holder

The Company may give written notice to an Unmarketable Parcel Holder advising of the Company's intention to sell its Unmarketable Parcel under this clause, unless the Unmarketable Parcel Holder, within 6 weeks from the date the notice is sent by the Company, gives written notice to the Company

that it wishes to retain its Shares in which case the provisions of this clause will not apply to the Shares held by that Unmarketable Parcel Holder.

14.3 Revocation or withdrawal of notice

If an Unmarketable Parcel Holder has given written notice to the Company that it wishes its Shares to be exempted from this clause, it may at any time before the Effective Date revoke or withdraw that notice and the provisions of this clause will then apply to the Shares held by that Unmarketable Parcel Holder.

14.4 Sale of Unmarketable Parcels

Subject to clause 14.2, on and from the Effective Date, the Company may sell or otherwise dispose of the Shares held by each Unmarketable Parcel Holder on any terms and in that manner and at those times which the Directors determine. For the purpose of selling or disposing of those Shares, each Unmarketable Parcel Holder irrevocably:

(a) appoints the Company as its agent to sell all the Shares it holds;

(b) appoints the Company and each Director and Secretary from time to time jointly and severally as its attorney in its name and on its behalf to effect a transfer document for its Shares and to otherwise act to effect a transfer of its Shares; and

(c) appoints the Company as its agent to deal with the proceeds of sale of those Shares in accordance with this clause.

14.5 Company to pay all costs

The Company will pay all costs and expenses of the sale and disposal of Unmarketable Parcels under this clause.

14.6 Title of purchaser of Unmarketable Parcel

Once the name of the purchaser of the Shares sold or disposed of in accordance with this clause is entered in the Register for those Shares, the title of the purchaser to those Shares is not affected by any irregularity or invalidity in connection with the sale or disposal of those Shares and the validity of the sale may not be impeached by any person.

14.7 Remedy of Unmarketable Parcel Holder

The remedy of any Unmarketable Parcel Holder who is aggrieved by the sale or disposal of its Shares under this clause is limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

14.8 Evidence of sale in accordance with this clause

A written statement declaring that the person making the statement is a Director or Secretary of the Company and that the Shares of an Unmarketable Parcel Holder have been dealt with in accordance with this clause, is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to those Shares.

14.9 Receipt of proceeds of sale

The Company's receipt of the sale proceeds of the Shares of an Unmarketable Parcel Holder is a good discharge to the purchaser of all liability in respect of the purchase of those Shares and the purchaser will not be bound to see to the application of the money paid as consideration.

14.10 Company to deal with proceeds of sale

The Company will receive the proceeds of sale of the Shares of each Unmarketable Parcel Holder and will deal with those proceeds as follows. It must:

(a) pay the proceeds into a separate bank account which it opens and maintains for that purpose;

(b) hold the proceeds in trust for the Unmarketable Parcel Holder;

(c) immediately it receives the proceeds, notify the Unmarketable Parcel Holder in writing of the receipt and that the proceeds are being held by the Company pending receipt of the share certificate (if any) for those Shares sold or disposed of or, if those certificates have been lost or destroyed, a statement and undertaking in accordance with the Act, and seeking instructions from the Unmarketable Parcel Holder as to how the proceeds are to be dealt with;

(d) deal with the sale proceeds as instructed by the Unmarketable Parcel Holder on whose behalf they are held if the Member provides the Company with the certificate (if any) for those Shares or, if that certificate has been lost or destroyed, a statement and undertaking in accordance with the Act; and

(e) if the whereabouts of the Unmarketable Parcel Holder are unknown or no instructions are received from the Unmarketable Parcel Holder within 2 years of the proceeds being received by the Company, deal with those proceeds according to the applicable laws dealing with unclaimed moneys.

14.11 Overriding effect of this clause

Subject to clauses 1.7 and 14.12, the provisions of this clause 14 have effect despite any other provision of this Constitution.

14.12 Clause ceases to have effect following announcement of takeover bid

This clause 14 ceases to have effect following the announcement of a takeover bid but, despite clause 14.13, the procedures set out in this clause may be started again after the close of the offers made under the takeover bid.

14.13 Clause may be invoked only once in any 12 Month period

The provisions of this clause may be invoked only once in any 12 Month period.

15. General meetings

15.1 Annual general meetings

Annual general meetings of the Company must be held in accordance with the Act and the Listing Rules. The business of an annual general meeting may include:

(a) receiving and considering the statement of financial performance and statement of financial position and the reports of the Directors and of the auditors and the statement of the Directors;

(b) electing Directors;

(c) adopting the remuneration report;

(d) appointing the auditor; and

(e) fixing the remuneration of the auditor;

whether or not this is stated in the notice of meeting.

15.2 General meetings

(a) The Directors may convene a general meeting of the Company whenever they think fit.

(b) A Director may call a meeting of the Members.

15.3 Members may requisition meeting

Members may requisition the holding of a general meeting in accordance with the Act and the Directors must convene a general meeting in accordance with the time limits under the Act.

15.4 Notice of general meeting

Notice of every annual general meeting, general meeting or meeting of any class of Members must be given in the manner provided by this Constitution and the Act to the Members and those persons who are otherwise entitled under this Constitution to receive notices.

15.5 Contents of notice of general meeting

Every notice convening a general meeting must include or be accompanied by all information required by the Act and the Listing Rules and must at least:

(a) set out the place, the day and time for the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this);

(b) subject to clause 15.1, state the general nature of the business to be transacted at the meeting and any Special Resolution to be proposed;

(c) include a statement that:

(i) a Member entitled to attend and vote is entitled to appoint a proxy;

(ii) a proxy need not be a Member; and

(iii) a Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise;

(d) be accompanied by an instrument of proxy in the form described in this Constitution or in any other form as the Directors may from time to time prescribe or accept;

(e) include information about how instruments of proxy can be delivered to the Company; and

(f) if required by the Listing Rules, include a voting exclusion statement.

15.6 Omission to give notice

Except as prescribed by the Act, the accidental omission to give notice of a meeting to any Member or the non-receipt of notice of a meeting by any Member does not invalidate any of the proceedings at that meeting.

15.7 Changes to general meeting

The Directors may change the venue for, and postpone or cancel a general meeting if they consider that the meeting has become unnecessary, or that a postponement is in the interests of Members, or that the venue would be unreasonable or impractical, or a change is otherwise necessary to conduct the meeting efficiently. However, a meeting called to comply with a Members' requisition may not be postponed or cancelled unless those who requisitioned the meeting first consent in writing.

16. Proceedings at general meeting

16.1 Member deemed to be present

A Member may attend a general meeting at which it is entitled to be present, and is deemed to be present, in any of the following ways:

(a) in person;

(b) by attorney;

(c) by proxy;

(d) in the case of a Member which is a body corporate, by a representative appointed under section 250D of the Act.

16.2 Attorney of Member

Any Member may appoint an attorney to act on its behalf at all meetings of the Company or all meetings of the Company during a specified period. Before the first meeting at which the attorney acts on the Member's behalf, the power of attorney validly appointing the attorney must be deposited at the Office or at any place specified in the notice convening that meeting.

16.3 Representative of body corporate

Any Member being a body corporate may, in accordance with the Act, by Resolution of its Directors authorise any person to act as its representative at any meeting. That representative is then entitled to exercise the same powers as the body corporate appointing the representative could have exercised as a Member, if it were a natural person.

16.4 Quorum for general meeting

No business may be transacted at any general meeting unless a quorum is present at the start of the business. A quorum is 3 Members who are present.

16.5 No quorum

If a quorum is not present within 30 minutes after the time appointed for the meeting;

(a) any meeting convened on a requisition of Members is dissolved;

(b) any other meeting stands adjourned to the same day in the next week at the same time and place or to any other day, time and place as the Directors may appoint by notice to the Members. If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the adjourned meeting, then those Members who are present in person are deemed to be a quorum and may transact the business for which the meeting was called.

16.6 Chairperson of general meeting

(a) The chairperson of the Directors, or, in the chairperson's absence, the deputy chairperson (if any) will be entitled to take the chair at every general meeting. If there is no chairperson or if at any meeting the chairperson is not present within 30 minutes after the time appointed for holding the meeting or if the chairperson is unwilling to act, the Directors present may choose a chairperson. If the Directors do not choose a chairperson, the Members present must choose 1 of the Directors to be chairperson, and if no Director is present or willing to take the chair, the Members must choose 1 of the Members to be chairperson.

(b) The chairperson may, in the case of a conflict of interest or otherwise in his or her discretion, appoint someone else (who need not be a Director) to chair one or more items of business or resolutions at a general meeting. While acting as chair the appointee may exercise all of the chairperson's powers and discretions. The chairperson resumes the chair after the appointment concludes.

16.7 Powers of chairperson

(a) The chairperson is responsible for the general conduct of and procedures at the general meeting.

(b) The chairperson's decisions about general conduct and procedures is final.

(c) At any general meeting, if:

(i) the chairperson declares that a Resolution or Special Resolution has been carried, or carried by a particular majority, or not carried; and

(ii) an entry to that effect is recorded in the minutes of proceedings of the Company

that declaration is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against that Resolution or Special Resolution.

16.8 Adjournment of general meeting

The chairperson of a general meeting may adjourn the meeting from time to time and from place to place, but no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

16.9 Notice of adjourned meeting

If any general meeting is adjourned for more than 1 Month, Members must be given notice of the adjournment in the same manner in which notice was, or ought to have been, given of the original meeting.

16.10 Director entitled to attend and speak

Each Director is entitled to attend and speak at all general meetings.

17. Voting

17.1 Resolution determined by majority

At a general meeting all Resolutions submitted to the meeting will be decided by a simple majority of votes except where a greater majority is required by this Constitution, the Act or the Listing Rules.

17.2 Casting vote of chairperson

If an equal number of votes occurs on a show of hands or on a poll, the chairperson does not have a casting vote in addition to any votes to which the chairperson may be entitled as a Member, proxy, attorney or representative.

17.3 Method of voting

Every Resolution submitted to the meeting, in the first instance, will be determined by a show of hands unless a poll is demanded under clause 17.4 or the Act either before or on the declaration of the result of the vote on a show of hands.

17.4 Demand for poll

A poll may be demanded on any Resolution by:

(a) the chairperson;

(b) at least 5 Members who are present; or

(c) any 1 or more Members who are present, holding Shares conferring not less than 5% of the total voting rights of all Members having the right to vote on the Resolution.

17.5 Conducting a poll

(a) The chairperson will decide in each case the manner in which a poll is taken.

(b) In every case the chairperson must ascertain the number of votes attaching to Shares held or represented by persons voting in favour of a Resolution or Special Resolution and by those voting against the Resolution.

(c) The chairperson will determine any dispute about admitting or rejecting a vote and that determination made in good faith will be final and conclusive.

17.6 Votes

Subject to this Constitution, the Listing Rules and the rights or restrictions on voting which may attach to or be imposed on any class of Shares:

(a) on a show of hands every Member present (including each holder of preference Shares who has a right to vote) will have 1 vote; and

(b) on a poll every Member present (including each holder of preference Shares who has a right to vote) will have 1 vote for each fully paid Share held by that Member and a fraction of a vote for each partly paid Share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) for that Share, ignoring any amounts paid in advance of a call.

17.7 Votes by proxy

(a) A Member who is entitled to attend and cast a vote at a general meeting of the Company may appoint not more than 2 other persons as that Member's proxy or proxies to attend and vote at the meeting on that Member's behalf.

(b) If a Member appoints 1 proxy, that proxy may vote on a show of hands.

(c) A proxy may demand or join in demanding a poll.

(d) If a Member is present at any general meeting for which the Member has validly appointed a proxy to attend and vote for the Member:

(i) the proxy's authority to speak for the Member is suspended while the Member is present; and

(ii) the proxy's authority to vote for the Member on any resolution is not suspended while the Member is present but is revoked by the Member voting in person on that resolution.

(e) A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy must vote on any resolution. The proxy may only vote or abstain on a poll or show of hands as instructed by proxy appointment.

17.8 Voting if call unpaid on Shares

(a) Subject to any restrictions affecting the right of any Member or class of Members to attend any meeting, a Member holding Shares on which no calls or other moneys are due and payable to the Company is entitled;

(i) to receive notices and to attend any general meeting; and

(ii) to vote and be counted in a quorum,

even though that Member has moneys then due and payable to the Company in respect of other Shares which that Member holds.

(b) A Member may not vote at any general meeting in respect of those Shares it holds on which calls or other moneys are due and payable to the Company at the time of the meeting.

17.9 Voting by joint holders

(a) Subject to clause 17.9(b), joint holders of Shares may vote at any meeting either personally or by proxy or by attorney or representative in respect of those Shares as if they were solely entitled to those Shares.

(b) If more than 1 joint holder is present at any meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

(c) Several legal personal representatives of a deceased Member will for the purpose of this clause be deemed to be joint holders of the Shares registered in the name of that Member.

17.10 Voting by transmittee

A person entitled to transmission of a Share under clause 9 who, at least 48 hours before the time notified for a general meeting (or an adjourned meeting), satisfies the Board of its right to that Share, may vote at that general meeting in respect of that Share as if that person were registered as the holder of the Share.

17.11 Voting by Member of unsound mind

If a Member is of unsound mind, or is someone whose person or estate is liable to be dealt with under a law relating to mental health, that Member's committee or trustee or other person who properly manages the Member's estate may, if that person has at least 48 hours before the time notified for a general meeting (or an adjourned meeting) satisfied the Board of its relationship to the Member or the Member's estate, exercise the Member's rights in respect of the general meeting as if the committee, trustee or other person were the Member.

17.12 Voting exclusions

If:

(a) the Listing Rules so require; or

(b) to ensure that a Resolution or Special Resolution on which the Act requires that particular persons do not cast a vote so that the resolution has a specified effect under the Act; and

(c) the notice of a general meeting includes any voting exclusion statement specifying that, in relation to particular business to be considered at that general meeting, votes cast by particular persons (whether specified by name or description of particular classes of persons) are to be disregarded by the Company,

the Company must not take into account, in determining the votes cast on a resolution relating to that business (whether a Special Resolution or an ordinary Resolution) or for any other purpose, any vote cast or purported to be cast by or on behalf of any of those persons (whether on a show of hands or on a poll) in relation to that resolution except to the extent that the Listing Rules or the Act (as applicable) permit.

17.13 Ruling on entitlements and votes

(a) An objection raised with the chairperson of a general meeting as to:

  (i) whether a purported voter is qualified; or

  (ii) whether the admission or rejection of a vote by any person present and entitled (or claiming to be entitled) to vote should be admitted or rejected

may only be made at the general meeting or adjourned meeting at which the purported voter wishes to vote or the vote objected to is given or tendered.

(b) In relation to that objection:

  (i) the decision of the chairperson is final and conclusive; and

  (ii) a vote not disallowed as a result is valid and effective for all purposes.

18. Proxies

18.1 Instrument appointing proxy

The instrument appointing a proxy must be in writing and signed by the appointor or the appointor's attorney duly authorised in writing, or, if the appointor is a body corporate, by its corporate representative or in accordance with the Act.

18.2 Deposit of proxy with Company

The instrument appointing a proxy and the original power of attorney (if any) under which it is signed, or a certified copy of the power of attorney:

(a) must be received by the Company at least 48 hours before the time for holding the meeting; and

(b) may be:

(i) delivered to the Office; or

(ii) sent by facsimile received at the Office or at any other place, fax number or electronic address specified for the purpose in the notice of meeting; or

(iii) otherwise received by any other means permissible under section 250B of the Act.

18.3 Validity of vote given in accordance with proxy

Unless the Company has received written notice of the matter before the start or resumption of the meeting at which a proxy votes, a vote cast by the proxy will be valid even if, before the proxy voted:

(a) the Member dies;

(b) the Member is mentally incapacitated;

(c) the Member revokes the proxy's appointment;

(d) the Member revokes the authority under which the proxy was appointed by a third party; or

(e) the Member transfers the Share for which the proxy was given.

18.4 Form of proxy

(a) Every instrument of proxy must specify the Member's name and address, the Company's name, the proxy's name or the name of the office held by the proxy and the meetings at which the proxy may be used, and must otherwise comply with the provisions of section 250A of the Act. An appointment of proxy may be a standing one.

(b) The instrument of proxy may specify the manner in which the proxy is to vote in respect of each of the resolutions to be proposed.

(c) The instrument of proxy may specify the proportion or number of votes which the proxy may exercise.

(d) Any instrument of proxy deposited in accordance with this Constitution which does not name the appointee will be deemed to be given in favour of the chairperson of the meeting to which it relates.

19. Directors

19.1 Number of Directors

The number of Directors must not be less than 6 or more than the number determined by the Directors from time to time.

19.2 No Share qualification

A Director need not hold any Shares in the Company.

19.3 Election of Directors by Company

Subject to clauses 19.4 and 19.6, Directors must be elected by Resolution of the Company in general meeting.

19.4 Directors may fill casual vacancies or appoint additional Directors

(a) Despite clause 19.3 and subject to clause 19.6, the Directors have power at any time and from time to time to appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board but the total number of Directors must not at any time exceed the maximum number for the time being fixed by or under this Constitution.

(b) Any Director, except the managing director, appointed under this clause after the Company is admitted to the Official List must retire from office at, and will be eligible for re-election at, the next annual general meeting following his or her appointment.

19.5 Eligibility for election as a Director

Subject to clause 19.6, except where a Director retires from the Board under this Constitution or a person is recommended for appointment by the Board, a person is only eligible for appointment as a Director by Resolution of the Company in general meeting, where the Company receives at its Office at least 30 business days before the relevant general meeting both:

(a) a nomination of the person by a Member; and

(b) a consent to that nomination signed by the person nominated for election as a Director.

19.6 [Deleted]

19.6A Nominations by Mitsui Group

(a) Where the Mitsui Group holds in aggregate a Relevant Interest in not less than 5% of the ordinary Shares on issue, the Mitsui Group may nominate such number of persons to the Board (**Mitsui Group Nominee**) as is calculated as follows:

(i) for as long as the Mitsui Group holds in aggregate a Relevant Interest in at least 15% of the ordinary Shares on issue, the Mitsui Group may nominate:

(A) one person as a Director, whether or not that person is a Mitsui Associate; and

(B) one person as a Director who is not a Mitsui Associate,

PROVIDED THAT, if the Relevant Interest held by the Mitsui Group in aggregate would be at least 15% of the ordinary Shares on issue but for the dilutive effect of one or more issues of ordinary Shares made by the Company:

(a) pursuant to an offer to all holders of fully paid Shares on a pro rata basis in respect of all of the Shares that they hold, including, for the avoidance of doubt, an issue of Shares under a dividend reinvestment plan, a bonus share plan, a dividend selection plan or any other plan which gives holders of Shares the opportunity to accept securities in place of dividend, distribution or interest payments or apply any dividend, distribution or interest payments for the subscription of securities;

(b) pursuant to a share purchase plan under exception 15 of ASX Listing Rule 7.2;

(c) pursuant to:

(I) an employee incentive plan or remuneration arrangements for employees and/or officers of the Company and/or its subsidiaries (as defined in the Act); or

(II) the exercise of options which are issued under an employee incentive plan or remuneration arrangements for employees and/or officers of the Company and/or its subsidiaries (as defined in the Act); or

(d) to a third party as consideration (whether in whole or in part) for the acquisition by the Company or its subsidiary (as defined in the Act) from that third party of an asset, business or security,

(each a **Dilutive Issue**), then the right of the Mitsui Group to nominate two persons as Directors in accordance with this clause 19.6A (a)(i) shall continue for a period of twelve months following the most recent Dilutive Issue, after which time such right will terminate and cease to be of any force or effect (**Expiry Date**) unless on the Expiry Date the Relevant Interest held by the Mitsui Group in aggregate is at least 15% of the ordinary Shares on issue, in which event this clause 19.6A(a)(i) will continue to be effective; and

(ii) for as long as the Mitsui Group holds in aggregate a Relevant Interest in at least 5% of the ordinary Shares on issue, the Mitsui Group may nominate one person as a Director whether or not that person is a Mitsui Associate.

(b) The Mitsui Group may:

(i) remove any Mitsui Group Nominee nominated under clauses 19.6A(a)(i)(A) and 19.6A(a)(ii) at any time; and

(ii) in circumstances where a Mitsui Group Nominee nominated under clause 19.6A(a)(i)(B) is due to retire by rotation under clause 20.1 (**Mitsui Incumbent Non — Associated Nominee**), propose a new nominee under clause 19.6A(a)(i)(B) (provided the requirements of that clause continue to apply at the

time of the proposed new nomination) and if such a nomination is made, the Mitsui Incumbent Non — Associated Nominee will not be eligible to offer him or herself for re-election.

(c) The nomination of a Mitsui Group Nominee under this clause 19.6A or the removal of a Mitsui Group Nominee under clause 19.6A(b)(i) shall be effected by written notice to the Company signed by the company secretary of one of the members of the Mitsui Group.

(d) The Mitsui Group may not nominate a person as a Mitsui Group Nominee if that person has been removed or, being a Director retiring by rotation, is not re-elected, by resolution of Members.

(e) Where the Company receives under clause 19.6A(c):

(i) a notice of nomination, subject to the approval of the nominee by the nomination committee of the Board, acting reasonably, the Directors shall appoint the Mitsui Group Nominee as a Director (unless the Directors reasonably believe that they would be in breach of their fiduciary or statutory duties as Directors if they made such an appointment); and

(ii) a notice of removal, the Mitsui Group Nominee named in the notice must resign his or her position as a Director forthwith and the Company must ensure this occurs.

(f) Any Director appointed under this clause after the Company is admitted to the Official List must retire from office at, and will be eligible for re-election at, the next annual general meeting following his or her appointment.

(g) If a Mitsui Group Nominee is removed, retires and fails to be re-elected by resolution of Members or ceases to hold office as a Director for any reason (other than where the Director retires and is re-elected at the same meeting), the Mitsui Group may, subject to clauses 19.6A(a) and (b), nominate another Mitsui Group Nominee in that person's place and neither the Directors nor the Company in general meeting may appoint a successor who is not a Mitsui Group Nominee.

(h) If the Mitsui Group exercises its right to propose a new nominee under clause 19.6A(b)(ii), the Incumbent Non — Associated Nominee shall retire in accordance with clause 20.2 and any replacement Mitsui Group Nominee will be considered for election at that same annual general meeting, unless the Mitsui Group has not complied with clause 19.5 in respect of that new nomination and in which case such Mitsui Group Nominee will be appointed as soon as practicable after the conclusion of that annual general meeting.

(i) Any Mitsui Group Nominee nominated under clauses 19.6A(a)(i)(A) or 19.6A(a)(ii) who is appointed (either by the Board or by Members) will be taken to have been appointed to represent the interests of the Mitsui Group and section 203D of the Act applies.

19.7 Alternate Director

Subject to the provisions of the Act and the Listing Rules, each Director may from time to time appoint a person (whether or not a Member) to act as an alternate Director in his or her place during any period the relevant Director thinks fit, if a majority of the other Directors approve. Where a Director who is not ordinarily resident in Australia proposes to appoint a person as an alternate Director under this clause, the Directors must approve that appointment unless the Directors reasonably believe that they would be in breach of their fiduciary or statutory duties as Directors in approving such an appointment. The following provisions apply to any alternate Director:

(a) that Director may be removed or suspended from office by written notice to the Company from the Director who appointed the alternate;

(b) that Director is entitled to receive notice of Board meetings, to attend meetings (if the appointing Director is not present) and to be counted towards a quorum at meetings;

(c) that Director is entitled to vote at meetings he or she attends on all Resolutions on which the appointor could vote had that appointor attended and, where that Director is a Director in his or her own right, he or she has a separate vote on behalf of the Director who is represented in addition to his or her own vote;

(d) that Director may exercise any powers that the appointor may exercise in the appointor's own right where the appointor is unavailable for any reason except the power to appoint an alternate Director. The action of an alternate Director will be conclusive evidence as against third parties of the unavailability of the appointor;

(e) that Director automatically vacates office if the appointing Director is removed or otherwise ceases to hold office for any reason other than where a person retires and is re-elected as a Director at the same meeting of members as the retirement occurs;

(f) that Director, whilst acting as a Director, is responsible to the Company for his or her own acts and defaults and is not deemed to be the appointing Director's agent;

(g) that Director is not entitled to receive any remuneration from the Company but is entitled to reimbursement for reasonable travelling and other expenses incurred in attending Board meetings or otherwise on the Company's business;

(h) that Director is not to be taken into account in determining the number of Directors for the purposes of this Constitution; and

(i) that Director may act as an alternate for more than 1 Director.

19.8 Auditor cannot be Director

No auditor of the Company or partner or employee or employer of an auditor can be appointed as a Director or an alternate Director of the Company.

20. Director's tenure of office

20.1 Directors' tenure of office

(a) Subject to the Act, the Listing Rules and this Constitution and clause 20.1(b), a Director must retire from office or seek re-election by no later than the third annual general meeting following his or her appointment or election or 3 years, whichever is longer.

(b) This clause does not apply to the managing director. If there is more than 1 managing director, only the first appointed does not have to comply with the requirement to relinquish office as set out in this clause.

20.2 Retirement by rotation

(a) Unless otherwise determined by a Resolution of the Company, while the Company is admitted to the Official List, at least one Director must retire from office at each annual general meeting unless there has been an election of Directors earlier that year.

(b) If no Director is required to retire at an annual general meeting under clause 19.4(b) or clause 20.1(a), then the Director to retire under clause 20.2(a) will be the one who has been longest in office since his or her last election.

(c) As between those who became Directors on the same day, those to retire will, unless they otherwise agree among themselves, be determined by lot.

(d) A retiring Director may act as a Director throughout the meeting at which he or she retires and at any adjournment.

(e) This clause does not apply to the managing director. If there is more than 1 managing director, only the first appointed does not have to comply with the requirement to relinquish office as set out in this clause.

20.3 Retiring Director eligible for re-election

Subject to clause 19.6(b)(ii), a Director who retires or whose office is vacated under this Constitution will be eligible for election or re-election to the Board.

20.4 Removal of Director by the Company

The Company may by Resolution remove any Director at any time.

20.5 Vacation of office

(a) The office of a Director will be automatically vacated if the Director:

(i) is declared bankrupt;

(ii) becomes of unsound mind or a person whose person or estate is liable to be dealt with under the laws relating to mental health;

(iii) is prohibited from being a Director in accordance with any of the provisions of the Listing Rules, the Act or any order made under the Act or the Director's office is vacated;

(iv) resigns by giving the Company written notice;

(v) either personally or by an alternate Director, fails to attend Board meetings for a continuous period of 6 Months without leave of absence from the Board; or

(vi) is an executive director under an employment or services agreement with the Company and that agreement terminates, unless the Board determines otherwise.

(b) A Director whose office is vacated under paragraphs (i), (ii) or (iii) will not be eligible for re-election until the disability (or disabilities) referred to is (or are) removed.

21. Director's remuneration

21.1 Remuneration for non-executive Directors

(a) Subject to clause 21.3 and the Listing Rules, the Company in general meeting may from time to time determine the maximum aggregate cash remuneration (**Remuneration**) to be

paid to the Directors for services rendered as Directors. Until a different amount is determined, the Remuneration is $1,000,000 per annum.

(b) The Directors may divide the Remuneration among themselves in any proportions and in any manner as they may from time to time determine.

(c) If the Directors do not or are unable to agree as to the apportionment of the Remuneration, it will be divided among them equally.

(d) The Remuneration:

(i) accrues from day to day;

(ii) includes any superannuation payments;

(iii) excludes any indemnities and insurance premiums paid in accordance with this Constitution; and

(iv) excludes any remuneration payable to any Director under any executive service contract with the Company or a Related Body Corporate.

21.2 Additional remuneration for extra services

If any Director performs extra services or makes special exertions (at the Board's request), such as going or living abroad, serving on any Board committee, or otherwise for any Company purpose, the Company may remunerate that Director by paying for those services and exertions. This payment may be either in addition to or in place of any remuneration determined under clause 21.1.

21.3 Remuneration to be in accordance with Listing Rules

Remuneration payable to Directors must comply with the Listing Rules and in particular:

(a) fees payable to non-executive directors must be by way of a fixed sum, and not by way of a commission on or a percentage of profits or operating revenue;

(b) the remuneration payable to executive Directors must not include a commission on or a percentage of operating revenue; and

(c) the total directors' fees payable to Directors must not be increased without the Members in general meeting first giving their approval.

21.4 Expenses of Directors

In addition to any remuneration, the Company must also pay Directors all travelling and other expenses they incur in attending and returning from Directors' meetings, any committee of the Directors or any Company general meetings or otherwise in connection with the Company's business.

22. Director's contracts

22.1 Directors not disqualified from holding office or contracting with Company

Except as otherwise provided in the Act or the Listing Rules:

(a) no Director will be disqualified by virtue of being a Director from holding any office or place of profit (other than as auditor) with the Company or with any company promoted by

the Company or with any corporation in which the Company is a member or which is a Member of the Company or in which the Company is otherwise interested;

(b) no Director will be disqualified by virtue of being a Director from contracting with the Company (whether as vendor, purchaser or otherwise);

(c) no contract referred to in this clause 22 or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested can be avoided and no Director will be liable to account to the Company for any profit arising from that contract or arrangement or from any office referred to in this clause 22.1 by reason only of that Director holding that office or of the Director's fiduciary relationship with the Company.

22.2 Director can act in professional capacity

Subject to the Act and the Listing Rules, a Director or a Director's firm may act in a professional capacity (other than as auditor) for the Company and that Director or that Director's firm is entitled to remuneration for professional services as if the relevant Director were not a Director.

22.3 Director not to vote on contract in which the Director has a material personal interest

Subject to the Act and the Listing Rules, neither a Director nor his or her alternate may vote at any Board meeting about any contract or arrangement in which the Director has, whether directly or indirectly, a material personal interest. However, that Director may execute or otherwise act in respect of that contract or arrangement.

22.4 Directors to declare interest

(a) Any Director who has a material personal interest in a matter that relates to the Company's affairs must give the other Directors notice of that interest, unless the interest is of a type referred to in section 191(2)(a) of the Act, or all of the conditions referred to in section 191(2)(c) of the Act are satisfied.

(b) The Director must declare the nature and extent of the Director's interest and the relation of the interest to the Company's affairs at a Directors' meeting as soon as possible after the Director becomes aware of his or her interest in the matter.

(c) A Director who has an interest in a matter may give a standing notice to the other Directors of the nature and extent of that Director's interest in the matter in accordance with section 192 of the Act.

22.5 Directors to declare potential conflicts

Any Director who holds any office or possesses any property whereby the holding or possession might (whether directly or indirectly) create conflicting duties or interests with those as a Company Director must declare the fact of holding that office or possessing that property, and the nature and extent of any conflict, at the first Directors' meeting held after he or she becomes a Director or (if already a Director) at the first Director's meeting held after he or she becomes aware of the relevant facts.

22.6 Secretary to record declarations of Directors

The Secretary must record in the minutes of the meeting any declarations made or notices given by a Director under this Constitution.

23. Powers of Directors

23.1 Powers of Directors

Subject to the Act and to any provision of this Constitution, the Directors will manage, or cause the management of, the business of the Company. The Directors may pay, or cause to be paid, all expenses incurred in promoting and forming the Company and may exercise, or cause to be exercised, all powers of the Company that are not, by the Act or by this Constitution, required to be exercised by the Company in general meeting.

23.2 Powers to borrow or raise money

Without limiting the generality of the previous clause, the Directors may from time to time at their discretion borrow or raise any sum or sums of money or obtain other financial accommodation for Company purposes and may grant security for the repayment of that sum or sums or the payment, performance or fulfilment of any debts, liabilities, contracts or obligations incurred or undertaken by the Company in any manner and on any terms and conditions as they think fit and in particular by the issue or re-issue of bonds, perpetual or redeemable debentures or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled or unpaid capital for the time being.

23.3 Directors may vote shares in other corporations

Subject to the Act and the Listing Rules, the Directors may exercise the voting power conferred by the shares in any corporation held by the Company in any manner they think fit, including in circumstances where a Director may be interested in the exercise, such as an exercise in favour of any Resolution appointing a Director as an officer of a corporation or voting or providing for the payment of remuneration to officers of the other corporation.

23.4 Agent or attorney

(a) The Directors may at any time appoint any person or persons to be a Company agent or attorney for any purpose and with any powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for any period and subject to any conditions as the Directors think fit.

(b) Any appointment may be made in favour of:

  (i) any company; or

  (ii) the members, directors, nominees or managers of any company or firm; or

  (iii) any fluctuating body of persons (whether nominated by the Directors or otherwise).

(c) Any document appointing an agent or power of attorney may provide for the protection or convenience of the agent or attorney and of persons dealing with the agent or attorney as the Directors may think fit.

23.5 Sub-delegation of powers

The Directors may authorise any agent or attorney they have appointed to sub-delegate all or any of the powers, authorities and discretions vested in them for the time being.

24. Executive directors

24.1 Managing director

The Directors may at any time appoint 1 or more Directors to be the managing director or to any other executive office for any period and on any terms they think fit. Subject to the terms of any agreement entered into in any particular case, the Directors may revoke that appointment. An appointment automatically terminates if the appointee ceases to be a Director. If the appointee ceases to be the managing director, that person will also automatically cease to be a Director unless the Board determines otherwise.

24.2 Directors may confer powers on executive directors

The Directors may confer on a managing director or other executive director any of the powers exercisable by the Directors on those terms and conditions and with any restrictions as they think fit. Any powers so conferred may be concurrent with or to the exclusion of their own powers. The Directors may at any time revoke, withdraw, alter or vary all or any of those powers.

24.3 Remuneration of executive directors

Subject to the Listing Rules and the terms of any agreement entered into with any executive director, the Board may fix the remuneration of each executive director which may comprise salary or commission on or participation in profits of the Company, but may not comprise commission on, or a percentage of, operating revenue.

25. Proceedings of Directors

25.1 Board meetings

The Directors may meet either:

(a) in person;

(b) by telephone;

(c) by audiovisual linkup; or

(d) by any other instantaneous communications medium for conferring;

for dispatch of business, and adjourn and otherwise regulate their meetings as they think fit.

25.2 Director to be regarded as present at meeting

A Director is regarded as present at a meeting where the meeting is conducted by telephone, audiovisual linkup or other instantaneous communications medium for conferring, if the Director is able to hear, and to be heard by, all others attending the meeting.

25.3 Place of meeting

A meeting conducted by telephone, audiovisual linkup or other instantaneous communications medium for conferring, will be deemed to be held at the place agreed on by the Directors attending that meeting, provided that at least 1 of the Directors present at the meeting was at that place for the duration of the meeting. Meetings may be held outside Australia.

25.4 Convening of Directors meeting

A Director may at any time, and the Secretary on the request of a Director must, convene a meeting of Directors.

25.5 Notice of meeting

Notice of every meeting of Directors must be given to each Director, but failure to give or receive that notice will not invalidate any meeting.

25.6 Directors may act notwithstanding vacancy

The Directors may act despite there being a vacancy on the Board, but if and so long as their number is below the number required for a quorum, they must not act except in an emergency or to fill a vacancy or to summon a general meeting.

25.7 Quorum for Board meetings

At a meeting of Directors, the number of Directors necessary to constitute a quorum is that number as determined by the Directors and, unless otherwise determined, is 5.

25.8 Meeting competent to exercise all powers

A Directors' meeting at which a quorum is present will be competent to exercise all or any of the powers and discretions vested in or exercisable by the Directors generally.

25.9 Chairperson of Board meetings

The Directors may elect a chairperson and deputy chairperson of their meetings and determine the periods for which they are to hold office. If no chairperson or deputy chairperson is elected or if at any meeting neither the chairperson nor the deputy chairperson is present at the time appointed for the meeting, the Directors present at the meeting may choose 1 of the Directors present to be chairperson of the meeting.

25.10 Documents tabled at meeting

An original document, or a photocopy, facsimile or electronic copy of that document, which is in the possession of, or has been seen by, all Directors attending the Directors' meeting before, or at the time of, that meeting, is deemed to be a document tabled at that meeting.

25.11 Questions to be decided by majority

Questions arising at any Board meeting will be decided by a majority of votes of Directors present and voting. Subject to the Listing Rules, if the votes cast are equal, the chairperson will have a second or casting vote, but not so where there are only 2 Directors present who are competent to vote on the question at issue.

25.12 Resolution in writing

(a) A Resolution in writing of which notice has been given to all Directors for the time being entitled to receive notice of that meeting and which is signed by a majority of Directors for the time being entitled to attend and vote at Directors' meetings will be as valid and effectual as if it had been passed at a Directors' meeting duly convened and held.

(b) That Resolution may consist of several documents in like form each signed by 1 or more of the Directors.

(c) For the purposes of this clause:

(i) the signature of an alternate Director will be as effective as, and may be substituted for, the signature of an appointing Director; and

(ii) a signature will be valid if it is transmitted by facsimile, e-mail, or other generally accepted technology.

(d) The effective date of that Resolution is the date on which the document or any of the counterpart documents was last signed.

25.13 Resolution passed deemed to be determination of Board

Any Resolution properly passed at a duly convened Directors' meeting at which a quorum is present will be deemed to be a determination by all the Directors or the Board for the purposes of this Constitution.

25.14 Committee powers and meetings

(a) The Directors may delegate any of their powers to a committee of Directors, a sole Director and/or other persons as they think fit and may revoke that delegation.

(b) Any committee can exercise the powers delegated to it in accordance with any directions that may from time to time be imposed on it by the Board.

(c) The meetings and proceedings of any committee consisting of 2 or more Directors will be governed by the provisions of this Constitution regulating the meetings and proceedings of the Directors so far as they are applicable and are not superseded by any direction made by the Board under this clause.

25.15 Validity of acts of Directors

All acts done by any Directors' meeting or by a committee of the Directors or by any person acting as a Director will be valid even it is discovered afterwards that there was some defect in the appointment or election of that Director or person acting as a Director or that any Director was disqualified or had vacated office or was otherwise not entitled to vote or act.

26. Secretary

A Secretary or Secretaries of the Company must be appointed by the Directors in accordance with the Act. The Directors may also appoint acting and assistant Secretaries. Those appointments may be for any term, at any remuneration and on any conditions as the Directors think fit and any person so appointed may be removed by the Directors.

27. Minutes and registers to be kept

27.1 Minutes

The Directors must cause to be entered in minute books of the Company within 1 Month of the relevant meeting, minutes containing details of:

(a) the names of the Directors present at each Directors' meeting and meeting of any committee of Directors;

(b) all declarations made or notices given by any Director (either generally or specifically) of its interest in any contract or proposed contract or of its holding of any office or property whereby any conflict of duty or interest may arise; and

(c) all Resolutions and proceedings of general meetings of the Company, Directors' meetings and meetings of any committee of the Directors.

27.2 Minutes to be signed by chairperson

Any minutes of any general meetings of the Company, Directors' meeting or meetings of any committee of the Directors must be signed by the chairperson of the meeting or by the chairperson of the next succeeding meeting and once signed will constitute prima facie evidence of the matters stated in the minutes.

27.3 Registers

The Directors must cause the Company to keep:

(a) a register of Members and other registers required under the Act; and

(b) any other registers or sub-registers required by the Listing Rules or Settlement Rules.

28. Reserves

28.1 Reserves

Before declaring any dividends, the Directors may set aside out of the Company's profits any sums they think proper as reserves to be applied to meet contingencies, to equalise dividends, to pay special dividends, to repair, improve or maintain any Company property or for any other purpose the Directors in their absolute discretion consider to be in the Company's interests. Pending that application, the reserves may, at the Directors' discretion, be used in the Company's business or be invested as the Directors think fit (including the purchase of Shares of the Company). The Directors may deal with and vary these investments and dispose of all or any part for the Company's benefit and may divide the reserves into special reserves as they think fit.

28.2 Carry forward of profits

The Directors may carry forward any profits they consider ought not to be distributed as dividends without transferring those profits to a reserve.

28.3 Revaluation of assets

Subject to the Act, the Directors may revalue any assets of the Company.

29. Dividends and Distributions

29.1 Power to determine and declare dividends vested in Directors

The power to determine that a dividend is payable and to declare dividends (including interim dividends) is vested in the Directors who may fix the amount and the timing for payment and the method of payment of any dividend in accordance with this Constitution.

29.2 Apportionment of dividends

Subject to this Constitution, the Act, the Listing Rules and the rights of Members entitled to Shares with preferential, special or qualified rights as to dividend, dividends are to be apportioned and paid among the Members in proportion to the amounts paid up (not credited) on the Shares held by them. Any amount paid on a Share in advance of a call will be ignored when calculating the relevant proportion.

29.3 Circumstances in which a dividend may be paid

Dividends of the Company may be paid in accordance with the Act.

29.4 Dividend payable by distribution of assets

(a) The Directors when determining or declaring a dividend may:

(i) resolve that the dividend be paid wholly or partly by the distribution of specific assets including bonus Shares or other securities of the Company or any other corporation; and

(ii) to the extent permitted by law, direct that the dividend be payable

(A) to particular Members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source; and

(B) to the remaining Members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source

and may make that direction despite that by doing so the dividend will form part of the assessable income for taxation purposes of some Members and will not form part of the assessable income of others.

(b) All matters concerning dividends including valuation of assets is determined by the Directors as they think expedient.

29.5 Distribution of securities

If the Company distributes to Members (either generally or to specific Members) securities in the Company or in another body corporate or trust (whether as a dividend or otherwise and whether or not for value), each of those Members appoints the Company as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a Member of that other body corporate.

29.6 Dividends may be payable in foreign currency

(a) Subject to this clause 29.6, dividends will be paid in Australian currency.

(b) The Directors may, if they think fit, determine that any dividend payable to some or all the Members will be paid in a currency or currencies other than Australian currency. For that purpose the Directors may at the time of determination or declaration of the dividend stipulate a date on which they will determine the rate or rates at which the dividend will be converted into the other currency or currencies.

(c) Payment in another currency or currencies of the amount of any dividend converted under this clause will be deemed as between the Company and all Members to be an adequate and proper payment of the amount of the dividend.

29.7 No interest payable on dividends

Interest is not payable by the Company in respect of any dividend.

29.8 Directors may retain certain dividends

The Directors may retain the dividends payable on Shares to which any person is entitled to become a Member because of death, bankruptcy or other operation of law until that person or a nominated transferee becomes a Member in respect of the Shares.

29.9 Directors may deduct from dividends money payable to Company

The Directors may deduct from any dividend payable to a Member all sums of money presently payable by the Member to the Company on account of calls or otherwise.

29.10 Payment of dividends

(a) Any dividend, interest or other moneys payable in respect of any Shares may be paid by cheque or by any other method of payment specified by the Directors.

(b) Where the dividend, interest or other moneys payable in respect of Shares is paid by cheque, the cheque will be sent through the post to:

  (i) the registered address of the Member or person entitled or, in the case of joint holders, to the registered address of that holder whose name appears first on the Register in respect of the joint holding; or

  (ii) that person at that address as the holder or joint holders may in writing direct.

(c) Every cheque will be made payable to the order of the person to whom it is sent and is at its risk.

29.11 Unclaimed dividends

Except as otherwise provided by law, all dividends unclaimed for 1 year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

29.12 Dividend Reinvestment Plans

The Directors may implement and in their discretion maintain, on terms and conditions determined by the Directors from time to time, dividend reinvestment plans (a **Dividend Reinvestment Plan**) for cash dividends paid by the Company in relation to Shares in the capital of the Company to be reinvested by way of subscription for Shares or other securities to be issued and allotted by the Company. Participation in a Dividend Reinvestment Plan will be available to those Members who wish to participate in the Dividend Reinvestment Plan and are eligible to do so under the terms and conditions of the Dividend Reinvestment Plan.

29.13 Amendment of Dividend Reinvestment Plans

The Directors may vary, amend or suspend any terms or conditions of a Dividend Reinvestment Plan as and when they think fit in their discretion.

30. Capitalising profits

30.1 Capitalising profits

The Directors may resolve to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts, arising from a revaluation or sale of assets, or otherwise available for distribution to Members. The sum capitalised will be applied for the benefit of Members (in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend) in one or both of the following ways:

(a) in or towards paying up any amounts for the time being unpaid on any Shares held by those Members; or

(b) in paying up in full or in part any unissued Shares or debentures of the Company to be allotted and distributed credited as fully paid to those Members.

30.2 Directors powers in relation to capitalisation of profits

In giving effect to any Resolution for capitalisation under clause 30.1, the Directors may:

(a) appoint any person to make an agreement on behalf of the Members entitled to benefit from the Resolution where that agreement is required under the Act or is otherwise considered by the Directors to be desirable;

(b) issue fractional certificates or make cash payments where Shares or debentures become issuable in fractions; and

(c) otherwise provide for adjusting differences and settling any difficulty arising under the Resolution including a determination that fractions will be disregarded or that a fractional entitlement be increased to the next whole number.

31. Financial statements

31.1 Financial records

The Directors must cause financial and other records to be kept as required by the Act, the Listing Rules and this Constitution.

31.2 Financial statements to be audited

The financial statements of the Company for each Financial Year must be audited by the auditor in accordance with the Act.

31.3 Auditor

The auditor of the Company is to be appointed and removed from time to time in accordance with the Act.

32. Inspection of records

Subject to the Act, the Directors may determine whether and to what extent the documents and records of the Company will be open to inspection by any person. This clause does not limit the rights of a Director or former Director under the law.

33. Notices

33.1 Service of notices by Company

A notice may be given by the Company to any Member in any one of the following ways:

(a) personally, by giving it to the Member;

(b) by leaving it addressed to the Member at the Member's address;

(c) by facsimile to the Member at the Member's facsimile number;

(d) by e-mail to the Member's electronic address;

(e) by post by sending it addressed to the Member at the Member's address;

(f) or otherwise by any method (including by advertisement) as the Directors may determine.

33.2 Electronic communications

Where the Company is required by the Act or this Constitution to:

(a) give information in writing;

(b) provide a signature;

(c) produce a document;

(d) record information; or

(e) retain a document,

that requirement is taken to have been met if the Company uses an electronic communication or an electronic form of the relevant document, and the Company complies with any further requirements of the *Electronic Transactions Act* 1999 (Cth).

33.3 Notices to joint holders

A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder whose name appears first in the Register and that notice will be sufficient notice to all the joint holders.

33.4 Notice deemed to be served

(a) Any notice by advertisement will be deemed to have been served on the day of publication of the newspaper containing the advertisement.

(b) Any notice sent by post will be deemed to have been served on the day following the day on which the notice is posted.

(c) A notice sent by facsimile or other electronic means will be deemed to have been served on the same day that it is sent.

33.5 Service by post

A notice sent by post will be properly served if the notice was correctly addressed and was posted with the required postage. A certificate in writing signed by any manager, Secretary or other officer of the Company that the notice was so addressed and posted is conclusive evidence of proper service by post.

33.6 Notices to Members whose whereabouts unknown

Where:

(a) the Company in good faith has reason to believe that a Member is not known at the address shown for that Member in the Register;

(b) the Company has subsequently made an enquiry at that address as to the whereabouts of the Member; and

(c) the enquiry either elicits no response or a response indicating that the Member's present whereabouts are unknown,

all future notices will be deemed to be given to the Member if the notice is exhibited in the Office for a period (not including weekends and public holidays) of 48 hours and will be deemed to be duly served at the commencement of that period. This clause will apply unless and until the Member informs the Company that the Member has resumed residence at the Member's address shown in the Register or notifies the Company of a new address to which the Company may send the Member notices (which new address is deemed to be the Member's registered place of address).

33.7 Notices binding on transferees

Every person who becomes entitled to any Share by operation of law, transfer or otherwise will be bound by every notice in respect of the Share which, before that person's name and address is entered on the Register, is duly given to the person from whom title to the Share is derived.

33.8 Notice to deceased or bankrupt Members

Any notice or document given to a Member will be deemed to have been duly given in respect of any Shares held solely or jointly by the Member despite the Member having died or becoming bankrupt and whether or not the Company has notice of the death or bankruptcy until some other person is registered in the Member's stead as the holder or joint holder.

33.9 Signing notices

The signature to any notice to be given by the Company may be written, printed or provided by electronic means.

33.10 Counting days

Where a given number of days' notice or notice extending over any other period is required to be given, the day on which notice is deemed to be given will not be counted in the number of days or other period.

34. Winding up

34.1 Distribution of surplus assets

In a winding up, any assets available for distribution to Members will, subject to the rights of the holders of Shares issued on special terms and conditions, this Constitution, the Act and the Listing Rules, be distributed amongst the Members to return capital paid up on their Shares and distribute any surplus in proportion to the amount paid up (not credited) on Shares held by them.

34.2 Fee or commission paid to liquidator to be approved in general meeting

The Company must not pay any Director or liquidator any fee or commission on the sale or realisation of the whole or part of the Company's undertaking or assets unless the Company in general meeting approves. The approval must by given at a meeting convened by notice specifying the fee or commission proposed to be paid.

34.3 Distribution in specie

If the Company is wound up (whether voluntarily or otherwise), the liquidator may;

(a) with the approval of a Special Resolution, divide among the contributories in specie or kind any part of the assets of the Company;

(b) with the approval of a Special Resolution, vest any part of the assets of the Company in trustees of trusts for the benefit of the contributories or any of them as the liquidator thinks fit; and

(c) set the values it considers fair and reasonable on any property to be divided and determine how the division is to be carried out.

35. Indemnity and insurance

35.1 Indemnity

To the extent permitted by law:

(a) the Company must indemnify each Director and Secretary and each former Director and Secretary, and may indemnify any other officer or former officer of the Company (as that term is defined in section 9 of the Act), against any liability (other than legal costs) incurred in acting as a Director, Secretary, or, where applicable, other officer of the Company other than:

  (i) a liability owed to the Company or a Related Body Corporate;

  (ii) a liability for a pecuniary penalty order under section 1317G or a compensation order under section 1317H of the Act; or

  (iii) a liability that did not arise out of conduct in good faith;

(b) the Company must indemnify each Director and Secretary and each former Director and Secretary who is or was, at the request of the Company, serving as a director or secretary of another company against any liability (other than legal costs) incurred in acting as a director or secretary of the other company other than:

(i) a liability owed to the other company or a Related Body Corporate;

(ii) a liability for a pecuniary penalty order under section 1317G or a compensation order under section 1317H of the Act; or

(iii) a liability that did not arise out of conduct in good faith;

(c) the Company must indemnify each Director and Secretary, and each former Director and Secretary, and may indemnify any other officer or former officer (as that term is defined in section 9 of the Act), for costs and expenses incurred by a Director, Secretary or, where applicable, other officer of the Company, in defending an action for a liability incurred in acting as a Director, Secretary or, where applicable, other officer of the Company, except for legal costs incurred:

(i) in defending or resisting any proceedings, whether civil or criminal, in which the Director, Secretary or, where applicable, other officer of the Company, is found to have a liability for which they could not be indemnified under clause 35.1(a) above;

(ii) in defending or resisting criminal proceedings in which the Director, Secretary or, where applicable, other officer of the Company, is found guilty;

(iii) in defending or resisting proceedings brought by the ASIC or by a liquidator for a court order if the grounds for making the order are found by the court to have been established, except for costs incurred in responding to actions taken by the ASIC or a liquidator as part of an investigation before commencing proceedings for the court order; or

(iv) in connection with proceedings for relief to the Director, Secretary or, where applicable, other officer of the Company, under the Act in which the relief is denied by the court;

(d) the Company must indemnify each Director and Secretary and each former Director and Secretary who is or was, at the request of the Company, serving as a director or secretary of another company for costs and expenses incurred by the Director or Secretary in defending an action for a liability incurred in acting as a director or secretary of the other company, except for legal costs incurred:

(i) in defending or resisting any proceedings, whether civil or criminal, in which the Director or Secretary is found to have a liability for which they could not be indemnified under clause 35.1(a) above;

(ii) in defending or resisting criminal proceedings in which the Director or Secretary is found guilty;

(iii) in defending or resisting proceedings brought by the ASIC or by a liquidator for a court order if the grounds for making the order are found by the court to have been established, except for costs incurred in responding to actions taken by the ASIC or a liquidator as part of an investigation before commencing proceedings for the court order; or

(iv) in connection with proceedings for relief to the Director or Secretary under the Act in which the relief is denied by the court; and

(e) the Company may make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by a Director, Secretary or, where

applicable, other officer (as that term is defined in section 9 of the Act) of the Company, on the condition that the Director, Secretary or, where applicable, other officer of the Company, must repay the amount paid by the Company to the extent that the Company is ultimately found not liable to indemnify the Director, Secretary or, where applicable, other officer of the Company, for those legal costs.

35.2 Insurance

To the extent permitted by law the Company may pay, or agree to pay, a premium for a contract insuring a person who is or has been a Director, Secretary or other officer (as that term is defined in section 9 of the Act), of the Company or of a subsidiary of the Company, other than a liability arising out of:

(a) conduct involving wilful breach of duty in relation to the Company; or

(b) a contravention of section 182 or 183 of the Act.

Exhibit 4.12

Amendment and Restatement Deed

Each company listed in Schedule 1

Each company listed in Schedule 2

Each financial institution listed in Schedule 3

Sims Group Global Trade Corporation

Blake Dawson

Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
T 61 2 9258 6000
F 61 2 9258 6999

Reference
PAJ JWPM PRA 02 2018 0405

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Amendment and Restatement Deed

DATE 7 October 2010

PARTIES

Each company listed in Schedule 1 (each an **Existing Borrower** and together the **Existing Borrowers**)

Each company listed in Schedule 2 (each an **Existing Guarantor** and together the **Existing Guarantors**)

Each financial institution listed in Schedule 3 (each an **Existing Financier** and together the **Existing Financiers**)

Sims Group Global Trade Corporation (the **New Borrower**)

RECITALS

A. Under the Facility Agreement, the Existing Financiers have granted certain cash advance, trade finance and hedging facilities to one or more Borrowers (as the case may be) and the Existing Guarantors have jointly and severally guaranteed the punctual payment and satisfaction of the Amount Owing by the Existing Borrowers to the Existing Financiers.

B. At the request of Sims Metal Management Limited (ABN 69 114 838 630), the New Borrower has agreed to accede to the Facility Agreement as a Borrower and a US Trade Borrower (in respect of a new Trade Facility to be provided to it by HSBC (UK)).

C. Accordingly, the parties wish to amend and restate the Facility Agreement in the manner set out in this document.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Companies means the New Borrower, the Existing Borrowers and the Existing Guarantors and **Company** means any of them, as the context may require.

Effective Date has the meaning set out in clause 4.

Facility Agreement means the "Multi Option Facility Agreement" of that title dated 3 December 2003 between, amongst others, the Existing Borrowers, the Existing Guarantors and the Existing Financiers, as amended and restated on 6 December 2005, 26 June 2008, 2 November 2009 and 12 May 2010.

1.2 Terms defined in the Facility Agreement

A term (other than a term defined in clause 1.1) that is defined in the Facility Agreement (as amended and restated by this document) has the same meaning in this document.

1.3 Rules for interpreting this document

Clauses 1.2 to 1.4 (inclusive) of the Facility Agreement apply to this document as if they were set out in full in this document, except that any reference to "this Agreement", "the Transaction Documents" or "a Transaction Document" is replaced by a reference to "this document".

1.4 Transaction Document

This document is a "Transaction Document" for the purposes of the Facility Agreement.

2. CONSIDERATION

Each party acknowledges that it has received valuable consideration for entering into this document.

3. AMENDMENTS

3.1 Amendment to Facility Agreement

(a) The Facility Agreement is amended and restated with effect on and from the Effective Date to read as set out in Schedule 4.

(b) Paragraph (a) does not affect any right or obligation of any party that arises before the Effective Date.

3.2 Effect of amendment

(a) Except as expressly amended by this document, the Facility Agreement is confirmed and remains in full force and effect.

(b) With effect on and from the Effective Date:

(i) the Facility Agreement and this document will be read and construed as one document; and

(ii) references in the Facility Agreement to **this Agreement** will be read and construed as references to the Facility Agreement as amended by this document.

3.3 Confirmation by the New Borrower

The New Borrower confirms that:

(a) it has received a copy of the Transaction Documents, together with all other documents and information which it requires in connection with the transactions contemplated by the Transaction Documents; and

(b) it has not relied and will not rely on any other party to the Facility Agreement to check or enquire on its behalf into the legality, validity, effectiveness, adequacy or completeness of any of those documents or that information described in paragraph (a).

4. EFFECTIVE DATE

The Effective Date is the date on which HSBC (Australia) has received the following documents and information, in form and substance satisfactory to it:

(a) in respect of the New Borrower only, a condition precedent certificate substantially in the form of Annexure E of the Facility Agreement attaching:

(i) a copy of the constitutional documents of the New Borrower;

(ii) a copy of a resolution of the board or, if applicable, a committee of the board of directors or, if applicable, a resolution of the shareholders of the New Borrower:

(A) approving the terms of, and the transactions contemplated by, this document and resolving that it execute, deliver and perform this document;

(B) authorising a specified person or persons to execute this document on its behalf;

(C) appointing Authorised Officers for the purposes of the Transaction Documents; and

(D) acknowledging that each Transaction Document to which it is a party will benefit the New Borrower; and

(iii) copies of the true and usual signatures of the Authorised Officers of the New Borrower authorised to:

(A) sign this document and each other relevant Transaction Document; and

(B) give notices and other communications under or in connection with this document and those Transaction Documents;

(b) in respect of each Company other than the New Borrower, a copy of a resolution of the board or, if applicable, a committee of the board of directors or, if applicable, a resolution of the shareholders of that Company:

(i) approving the terms of, and the transactions contemplated by, this document and resolving that it execute, deliver and perform this document; and

(ii) authorising a specified person or persons to execute this document on its behalf;

(c) four original counterparts of this document duly executed by each Existing Borrower, each Existing Guarantor and the New Borrower;

(d) an original counterpart of a fee letter in substantially the form of the fee letter set out in Schedule 5, duly executed by the Parent; and

(e) the following legal opinions, each addressed to, and in form and substance satisfactory to, the Financiers and capable of being relied upon by any person who becomes a Financier pursuant to the Facility Agreement:

(i) a legal opinion from Baker and McKenzie LLP, legal advisers to the Companies as to United States law, as to, amongst other matters, the due execution of this document by the New Borrower; and

(ii) a legal opinion from Blake Dawson, legal advisers to the Financiers as to New South Wales law, as to the enforceability of this document.

5. EXISTING GUARANTORS' ACKNOWLEDGMENT AND AGREEMENT

Each Existing Guarantor unconditionally and irrevocably:

(a) consents and agrees to the amendments to the Facility Agreement contemplated by this document, and to the other Existing Guarantors and the New Borrower entering into this document;

(b) ratifies and confirms its execution of each Transaction Document to which it is a party; and

(c) acknowledges and agrees that:

(i) its obligations under each Transaction Document to which it is a party are not discharged, released or terminated in any way by the parties to this document entering into this document or by the Facility Agreement being amended and restated in the manner contemplated by this document; and

(ii) each Transaction Document to which it is a party remains in full force and effect and continues to be binding notwithstanding the parties to this document entering into this deed or the Facility Agreement being amended and restated in the manner contemplated by this document.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and warranties

Each Obligor:

(a) repeats or, in the case of the New Borrower, makes, the representations and warranties given by it in clause 11.1 of the Facility Agreement on the date of this document with references to the facts and circumstances then subsisting; and

(b) represents and warrants that no Event of Default has occurred and that no event has occurred which, with the giving of notice, the passage of time, any determination of materiality or the fulfilment of any other condition, would be likely to become and Event of Default, and, in each case, which is subsisting.

6.2 Reliance on representations and warranties

Each party acknowledges that the Financiers have executed this document and agreed to take part in the transactions that it contemplates in reliance on the representations and warranties that are made or repeated in this clause 6.

7. GENERAL

7.1 Governing law

(a) This document is governed by the laws of the State of New South Wales.

(b) Each Company submits to the non–exclusive jurisdiction of the courts of the State of New South Wales, and of any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

(c) Each Company irrevocably waives:

(i) any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum; and

(ii) any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

(d) Each Company agrees that a document required to be served in proceedings in connection with this document may be served:

(i) by being delivered to or left at its address for service of notices under the Facility Agreement; or

(ii) in any other way permitted by law.

7.2 Liability for expenses

The Companies must pay to or reimburse each Financier on demand for all reasonable costs and expenses (including external legal costs) incurred or payable by the Financier for the negotiation, preparation, execution, completion, stamping and registration of this document and any document required under this document.

7.3 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

7.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

(a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;

(b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and

(c) the exercise of a right does not prevent any further exercise of that right or of any other right.

7.5 Operation of this document

(a) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.

(b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

7.6 Exclusion of contrary legislation

Any legislation that adversely affects an obligation of a party, or the exercise by a party of a right or remedy, under or relating to this document is excluded to the full extent permitted by law.

7.7 Amendment

This document can only be amended or replaced by another document signed by the parties.

7.8 Counterparts

This document may be executed in counterparts.

7.9 Attorneys

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Schedule 1

EXISTING BORROWERS

Company Name	Registered Number	Registered Office	Place of Incorporation
Australian Borrowers			
Sims Group Australia Holdings Limited	ABN 37 008 634 526	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	ACT, Australia
Sims Metal Management Limited	ABN 69 114 838 630	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	VIC, Australia
UK Borrowers			
Sims Group UK Holdings Limited	2904307	Long Marston Stratford-Upon-Avon Warwickshire CV37 8AQ	United Kingdom
Sims Group UK Limited	3242331	Long Marston Stratford-Upon-Avon Warwickshire CV37 8AQ	United Kingdom
Mirec BV	N/A	Hastelweg 251, 5652CV, Eindhoven, The Netherlands	The Netherlands
US Borrowers			
Sims Group USA Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Dynamics Detroit LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management Alabama, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Arizona, L.L.C.	N/A	c/o CT Corporation System 2394 East Camelback Road Phoenix, AZ 85016	Arizona, USA
Metal Management Connecticut, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Memphis, L.L.C.	N/A	c/o Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	Tennessee, USA
Metal Management Midwest, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Metal Management Mississippi, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Northeast, Inc.	N/A	c/o Corporation Service Company 830 Bear Tavern Road West Trenton, NJ 08628	New Jersey, USA
Metal Management Ohio, Inc.	N/A	c/o CSC-Lawyers Incorporating Service (Corporation Service Company) 50 W. Broad St Suite 1800 Columbus, OH 43215	Ohio, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management West, Inc.	N/A	c/o Corporation Service Company 1560 Broadway, Suite 2090, Denver, CO 80202	Colorado, USA
Metal Management, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Proler Southwest LP	N/A	c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street Suite 620 Austin, TX 78701	Texas, USA
HK Trade Borrower			
Sims Metal Management Asia Limited (formerly known as Sims Asia Holdings Limited)	30512	5407-8, 54th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong	Hong Kong
German Borrowers			
Sims Group German Holdings GmbH	N/A	Rathenaustrasse 10, 59191 Bergkamen, Germany	Germany
Sims M+R GmbH	N/A	Rathenaustrasse 10, 59191 Bergkamen, Germany	Germany

Schedule 2

EXISTING GUARANTORS

Company Name	Registered Number	Registered Office	Place of Incorporation
Australia			
Sims Energy Pty Limited	ABN 42 009 667 752	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	QLD, Australia
Sims Group Australia Holdings Limited	ABN 37 008 634 526	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	ACT, Australia
Sims Metal Management Limited	ABN 69 114 838 630	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	NSW, Australia
Sims Industrial Pty Limited	ABN 95 000 090 479	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	NSW, Australia
Sims Manufacturing Pty Limited	ABN 13 004 332 870	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	NSW, Australia
Simsmetal Holdings Pty. Ltd.	ABN 97 000 021 563	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	NSW, Australia
Simsmetal Services Pty. Limited	ABN 76 000 166 987	'Sir Joseph Banks Corporate Park' Suite 3 Level 2 32 Lord Street Botany NSW 2019	NSW, Australia

Company Name	Registered Number	Registered Office	Place of Incorporation
United Kingdom			
Sims Group UK Holdings Limited	2904307	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
Sims Group UK Limited	3242331	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
The Netherlands			
Mirec BV	N/A	Hastelweg 251, 5652CV, Eindhoven, The Netherlands	The Netherlands
New Zealand			
Simsmetal Industries Limited	3597	James Fletcher Drive Otahuhu, Auckland, New Zealand	New Zealand
Sweden			
Sims Recycling Solutions AB	N/A	Karosserigatan 6 641 51 Katrineholm Sweden	Sweden
Germany			
Sims Group German Holdings GmbH	N/A	Rathenaustrasse 10, 59191 Bergkamen, Germany	Germany
Sims M+R GmbH	N/A	Rathenaustrasse 10, 59191 Bergkamen, Germany	Germany
Hong Kong			
Sims Metal Management Asia Limited (formerly known as Sims Asia Holdings Limited)	30512	5407-8, 54th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong	Hong Kong
Canada			
Sims Group Recycling Solutions Canada Ltd.	N/A	1200-999 West Hastings Street, Vancouver, British Columbia V6C 2W2, Canada	Canada

Company Name	Registered Number	Registered Office	Place of Incorporation
Sims Group Canada Holdings Limited	N/A	Suite 2300, 550 Burrard Street, Box 30, Vancouver, British Columbia V6C 2B5, Canada	Canada
United States of America			
Sims Group USA Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
CIM Trucking, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
HNE Recycling LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
HNW Recycling LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Dynamics Detroit LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
TH Properties LLC (formerly known as Metal Dynamics Indianapolis LLC)	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Dynamics LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Alabama, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Arizona, L.L.C.	N/A	c/o CT Corporation System 2394 East Camelback Road Phoenix, AZ 85016	Arizona, USA
Metal Management Connecticut, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Indiana, Inc.	N/A	c/o Prentice Hall Corporation 33 North LaSalle Street Chicago, IL 60602	Illinois, USA
Metal Management Memphis, L.L.C.	N/A	c/o Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	Tennessee, USA
Metal Management Midwest, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Metal Management Mississippi, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management New Haven, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Northeast, Inc.	N/A	c/o Corporation Service Company 830 Bear Tavern Road West Trenton, NJ 08628	New Jersey, USA
Metal Management Ohio, Inc.	N/A	CSC-Lawyers Incorporating Service (Corporation Service Company) 50 W. Broad St Suite 1800 Columbus, OH 43215	Ohio, USA
Metal Management Pittsburgh, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Proler Southwest, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
SMM – North America Trade Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management West Coast Holdings, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management West, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Colorado, USA
Metal Management, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
MM Metal Dynamics Holdings, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Naporano Iron & Metal, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
New York Recycling Ventures, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
North Carolina Resource Conservation, LLC	N/A	c/o Corporation Service Company 327 Hillsborough Street Raleigh, NC 27603	North Carolina, USA
Proler Southwest GP, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Proler Southwest LP	N/A	c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street Suite 620 Austin, TX 78701	Texas, USA
Reserve Iron & Metal Limited Partnership	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Schiabo Larovo Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
SHN Co., LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Group Global Trade Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Group USA Holdings Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

Company Name	Registered Number	Registered Office	Place of Incorporation
Sims Municipal Recycling of New York LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Recycling Solutions Holdings Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Simsmetal East LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Simsmetal West LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Recycling Solutions, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA

Schedule 3

EXISTING FINANCIERS

Financier Name	Registered Number	Lending Office
In relation to the Australian Borrowers, UK Borrowers, US Borrowers and German Borrowers		
HSBC Bank Australia Limited	ABN 48 006 434 162	Level 31, 580 George Street Sydney NSW 2000 Australia
HSBC Bank plc	14259	8 Canada Square, London, E14 5HQ
HSBC Bank USA, National Association		452 Fifth Avenue, New York, New York 10018 USA
In relation to the HK Trade Borrower		
The Hongkong and Shanghai Banking Corporation Limited	ABN 65 117 925 970	Level 10, 1 Queens Road, Central Hong Kong
In relation to the US Trade Borrower		
HSBC Bank plc	14259	City Corporate Banking Centre, 60 Queen Victoria Street, London, EC4N 4TR

Schedule 4

AMENDED AND RESTATED FORM OF FACILITY AGREEMENT

Schedule 5

PRO-FORMA FEE LETTER

To:	Sims Metal Management Limited ACN 114 838 630 [***insert address***]
Attention:	[***insert name***]
With a copy to:	[***insert address of the relevant Borrowers***]
Date:	[***insert date***]

Dear Sirs

AMENDED AND RESTATED MULTI OPTION FACILITY AGREEMENT – FEE LETTER

We refer to the document entitled "Multi Option Facility Agreement" dated 3 December 2003 between, amongst others, Sims Metal Management Limited ACN 114 838 630 (formerly Sims Group Limited) (**Sims**) and HSBC Bank Australia Limited ABN 48 006 434 162, as amended from time to time (**Facility Agreement**).

Definitions and Interpretation

1.1 A term defined in clause 1.1 of the Facility Agreement has the same meaning when used in this fee letter unless stated otherwise in this fee letter.

1.2 Clause 1.2 of the Facility Agreement is incorporated into this fee letter as if set out in this fee letter in full and as if all references in that provision to "this Agreement" were to this fee letter.

1.3 The provisions of the Facility Agreement will apply to this fee letter.

1.4 This fee letter is a Transaction Document.

1.5 This fee letter is entered into in connection with the [Cash Advance Facility][Trade Facilities][Bank Guarantee and Standby Letter of Credit Facility]*.

2. [Margin under [Cash Advance Facility][Trade Facilities]*] *

[***Include details of any changes to the Margin payable in connection with the Facility Agreement***]

3. [Fees]

[***Include details of any changes to the fees payable in connection with the Facility Agreement***]

4. Change in the Margin and/or Fees

The Margin or fees set out above will, if the Parent returns a signed copy of this fee letter to the Financiers, apply with effect from the date of this fee letter unless otherwise specified above.

---

* delete as appropriate

5. Confidentiality

This fee letter must not be disclosed by Sims to any entity or person except as may be required by law or to Sims' employees and legal and financial advisers who have a need to know the information and who are made aware of and agree to be bound by the confidentiality obligation under this paragraph.

6. Counterparts

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales.

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

Yours faithfully

[***insert execution clause for the Financiers (as applicable)***]

To: [***insert name of each Financier***]

We hereby confirm and agree to the terms of this fee letter as set out above.

_____

for and on behalf of **Sims Metal Management Limited** ACN 114 838 630

Name:

Capacity:

Date:

EXECUTED as a deed.

Existing Financier
SIGNED, SEALED and **DELIVERED** for
HSBC BANK AUSTRALIA LIMITED under
power of attorney in the presence of:

	Signature of attorney
Signature of witness	Name
Name	Date of power of attorney

Existing Financier
SIGNED, SEALED and **DELIVERED** for
HSBC BANK PLC under power of attorney
in the presence of:

Signature of witness

Name

Signature of attorney

Name

Date of power of attorney

Existing Financier
SIGNED, **SEALED** and **DELIVERED** for
HSBC BANK USA, NATIONAL ASSOCIATION
in the presence of:

Signature

Signature of witness

Name

Name

Date

Existing Financier
SIGNED, SEALED and **DELIVERED** for **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** under power of attorney in the presence of:

Signature of witness

Name

Signature of attorney

Name

Date of power of attorney

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS GROUP AUSTRALIA HOLDINGS LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS METAL MANAGEMENT LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS GROUP UK HOLDINGS LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS GROUP UK LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Borrower/Existing Guarantor
EXECUTED by
SIMS GROUP USA CORPORATION
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by **MIREC BV**:

Signature of director	Signature of director
Name	Name

Existing Borrower/Existing Guarantor
THE COMMON SEAL of SIMS METAL MANAGEMENT ASIA LIMITED (PREVIOUSLY KNOWN AS SIMS ASIA HOLDINGS LIMITED) was affixed to this deed in the presence of:

_____
Signature of Authorised Signatory

_____
Name of Authorised Signatory

Existing Borrower/Existing Guarantor
EXECUTED by
METAL DYNAMICS DETROIT LLC
by its officer:

_____
Signature of officer

_____
Name of officer

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT ALABAMA, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT ARIZONA, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT CONNECTICUT, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT MEMPHIS, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT MIDWEST, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT MISSISSIPPI, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT NORTHEAST, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT OHIO, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT WEST, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
METAL MANAGEMENT, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by
PROLER SOUTHWEST LP
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS M+R GMBH:**

Signature of director	Signature of director/secretary
Name	Name

Existing Borrower/Existing Guarantor
EXECUTED by **SIMS GROUP GERMAN HOLDINGS GMBH**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMS INDUSTRIAL PTY LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMSMETAL SERVICES PTY. LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMS ENERGY PTY LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMS MANUFACTURING PTY LIMITED**:

_____	_____
Signature of director	Signature of director/secretary
_____	_____
Name	Name

Existing Guarantor
EXECUTED by **SIMSMETAL HOLDINGS PTY. LTD.**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by
CIM TRUCKING, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
HNE RECYCLING LLC
by its officer:

_____
Signature of officer

_____

Name of officer (please print)

Existing Guarantor
EXECUTED by
HNW RECYCLING LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
TH PROPERTIES LLC (formerly known as
METAL DYNAMICS INDIANAPOLIS LLC)
by its officer:

_____
Signature of officer

_____
Name of officer

Existing Guarantor
EXECUTED by
METAL DYNAMICS LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
METAL MANAGEMENT INDIANA, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
METAL MANAGEMENT PITTSBURGH, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by **METAL MANAGEMENT PROLER SOUTHWEST, INC.**
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SMM – NORTH AMERICA TRADE CORPORATION
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
METAL MANAGEMENT WEST COAST HOLDINGS, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
MM METAL DYNAMICS HOLDINGS, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
NAPORANO IRON & METAL, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
NEW YORK RECYCLING VENTURES, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
NORTH CAROLINA RESOURCE CONSERVATION, LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
PROLER SOUTHWEST GP, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
RESERVE IRON & METAL LIMITED
PARTNERSHIP
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SCHIABO LAROVO CORPORATION
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SHN CO., LLC
by its officer:

_____
Signature of officer

_____
Name of officer

New Borrower/Existing Guarantor
EXECUTED by
SIMS GROUP GLOBAL TRADE CORPORATION
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SIMS GROUP USA HOLDINGS CORPORATION
by its officer:

_____
Signature of officer

_____
Name of officer

Existing Guarantor
EXECUTED by
SIMSMETAL EAST LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SIMSMETAL WEST LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SIMSMETAL INDUSTRIES LIMITED:

Signature of director	Signature of director
Name of director (please print)	Name of director (please print)

Existing Guarantor
EXECUTED by
SIMS RECYCLING SOLUTIONS. INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
SIMS RECYCLING SOLUTIONS HOLDINGS INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by
METAL MANAGEMENT NEW HAVEN, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Existing Guarantor
EXECUTED by **SIMS RECYCLING SOLUTIONS AB**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMS GROUP RECYCLING SOLUTIONS CANADA LTD.**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by **SIMS GROUP CANADA HOLDINGS LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Existing Guarantor
EXECUTED by
SIMS MUNICIPAL RECYCLING OF NEW YORK LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Exhibit 4.13

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Amended and Restated Multi Option Facility Agreement

The companies specified in parts 1 and 2 of Annexure A

The Banks and Financial Institutions specified in Annexure B

Blake Dawson

Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
T 61 2 9258 6000
F 61 2 9258 6999

Reference
PAJ JWPM PRA 02 2018 0405

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Annexure

A GROUP COMPANIES

B FINANCIERS

C CAF FINANCIERS

D FUNDING NOTICE

E CONDITION PRECEDENT CERTIFICATE

F ACCESSION DEED

G PRO FORMA FEE LETTER

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Amended and Restated Multi Option Facility Agreement

DATE 3 December 2003 (as amended and restated on 6 December 2005, 26 June 2008, on or about 30 October 2009, 12 May 2010 and on or about 7 October 2010)

PARTIES

The companies specified in parts 1 and 2 of Annexure A

The Banks and Financial Institutions specified in Annexure B

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

Accession Deed means an agreement substantially in the form of Annexure F under which a Subsidiary of the Parent or other company becomes a Borrower under this Agreement and each other agreement which a Financier and an Obligor agree in writing to be an Accession Deed for the purposes of this Agreement;

ACDC means Australian Commercial Disputes Centre Limited;

ACDC Guidelines for Expert Determination means the ACDC Guidelines for Expert Determination (or, if the ACDC ceases to exist, the guidelines for expert determination of any similar organisation nominated by the Law Society of NSW) in force from time to time;

Advance has the meaning given to it in Schedule 1;

Affiliate Financiers means, in relation to a Financier, each Related Company of the Financier, and **Affiliate Financier** means any one of them;

Amount Owing means all financial accommodation provided by a Financier to a Borrower under the Transaction Documents and all money, obligations and liabilities of any kind that are now or may in the future become due, owing or payable, whether actually, contingently or prospectively, by an Obligor to or for the account of a Financier under or in relation to a Transaction Document including on account of principal, interest, fees, expenses, indemnity payments, losses or damages and irrespective of:

(a) the capacity of the Obligor or the Financier (whether as principal, agent, trustee, beneficiary, partner or otherwise);

(b) whether the Obligor is liable as principal debtor or as surety;

(c) whether the Obligor is liable alone, jointly or jointly and severally with another person;

(d) whether or not the money, obligation or liability is owed to the Financier, or to its account, as a result of an assignment, transfer or other dealing with or without the Obligor's consent; or

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(e) whether the money, obligation or liability is owed or secured before or after the date of this Agreement or any assignment of this Agreement or any other Transaction Document;

Approved Currency means AUD or any Approved Foreign Currency;

Approved Foreign Currency means USD, GBP, HKD, Euro and any other foreign currency which is approved by the relevant Financier for a Facility made available by it under this Agreement;

Approved Purpose means:

(a) for a Cash Advance Facility, to assist with the Borrower's debt funding;

(b) for a Trade Finance Facility, to assist with each Trade Borrower's import and export related trade finance requirements; and

(c) for a Hedging Facility, any purpose approved in writing from time to time by the Financier that provides that Hedging Facility;

Assets means, in relation to a Group Company or the Group taken as a whole (as the case may be), all or any of its assets, undertakings or revenues both present and future, including without limitation, its uncalled capital and called but unpaid capital;

ASX Limited means ASX Limited (ABN 98 008 624 691);

AUD and **$** mean the lawful currency for the time being of Australia;

Auditor means the auditor or auditors for the time being of the Group;

Australian Borrowers means:

(a) the Parent;

(b) Sims Group Australia Holdings Limited (ABN 37 008 634 526); and

(c) any New Borrower designated as such in an Accession Deed,

and **Australian Borrower** means any one of them;

Australian Trade Borrowers means:

(a) the Parent;

(b) Sims Group Australia Holdings Limited (ABN 37 008 634 526); and

(c) any New Borrower designated as such in an Accession Deed,

and **Australian Trade Borrower** means any one of them;

Australian Trade Facility means the trade facility granted to the Australian Trade Borrowers under clause 2.2(a) as part of the relevant Trade Finance Facility;

Authorisation means:

(a) any authorisation, approval, licence, permit, consent, qualification, accreditation, filing, registration, certificate, resolution, direction, declaration or exemption and any renewal and variation of them; and

(b) for anything which a Government Agency may prohibit or restrict within a specified period, the expiry of that period without intervention or other action by that Government Agency;

Authorised Officer means:

(a) for a Borrower or a Guarantor, a director or a company secretary of that entity or any other person nominated by that entity by notice to each Financier to be an Authorised Officer, the notice to be accompanied by a certified copy of the signature of any person nominated; and

(b) for a Financier, a director or a company secretary of that entity, or any employee of that entity whose title includes the word "Manager", "President" or "Director", and includes a person acting in any of those capacities or any other person nominated by that entity by notice to the Relevant Borrowers to which a Facility is provided by that entity to be an Authorised Officer;

Availability Period means, for a Facility, the period starting on the date of this Agreement and ending on the earlier of:

(a) the Final Repayment Date; and

(b) the date on which that Facility is cancelled in full or terminated under this Agreement;

Bank means a deposit-taking institution authorised to carry on banking business under the *Banking Act 1959* (Cth) or under the laws of any Relevant Jurisdiction;

Bank Guarantee has the meaning given to it in Schedule 4;

Bank Guarantee and Standby Letter of Credit Facility means the bank guarantee and standby letter of credit facility granted to the Trade Borrowers under clause 2.2(a) as part of the Trade Finance Facility;

Base Lending Rate means the interest rate of the same name published by HSBC (Australia) from time to time in the daily metropolitan newspapers in Sydney and Melbourne, and in the Australian Financial Review;

Base Rate means:

(a) in relation to any relevant amount denominated in AUD for any relevant period:

(i) the rate (expressed as a percentage per annum) determined by the relevant Financier to be:

(A) the average bid rate quoted on the page designated as "BBSY" on the Reuters Monitor Money Rates Services or another page that replaces the "BBSY" page on that system to display average bid rates for Bills accepted by a Bank, rounded up, if necessary, to the nearest four decimal places; or

(B) the average of the buying rates for Bills accepted by a Bank quoted by 3 Banks selected by the Financier, rounded up, if necessary, to the nearest four decimal places, if:

(I) the page designated as "BBSY" (or another page that replaces the "BBSY" page) on the Reuters Monitor Money Rates Services is not available for any reason; or

(II) the basis on which the rate quoted on that page is determined is changed and, in the opinion of that Financier, that rate no longer reflects its cost of funding to the same extent as it does at the date of this Agreement,

in either case:

(C) determined at or about 10:10 am on the first day of the relevant period; and

(D) for the amount and period closest to the relevant amount and period; or

(ii) if the Base Rate cannot be determined under paragraph (a)(i), the rate (expressed as a percentage per annum) determined by that Financier in good faith to be the appropriate rate and for this purpose that Financier may have regard to comparable indices then available in any market that Financier considers appropriate; or

(b) in relation to any relevant amount denominated in an Approved Foreign Currency for any relevant period, the rate (expressed as a percentage per annum) quoted by the Financier as its costs of obtaining funds in the currency of the relevant amount and for a period comparable to such period, in such interbank market or by such other means as the Financier may at its discretion select, at or about the normal time for seeking quotes for such funds two business days prior to the commencement of such period;

Bill means an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer;

Borrowers means the companies specified in Part 1 of Annexure A and any **New Borrower**, and **Borrower** means any one of them;

Business Day means, unless otherwise specified, in relation to an obligation required to be performed, or any other action required to be taken, in a Relevant Jurisdiction, a day (not being a Saturday or Sunday) on which Banks are open for general banking business in that Relevant Jurisdiction;

CAF Borrowers means:

(a) the Australian Borrowers;

(b) the UK Borrowers;

(c) the US Borrowers;

(d) the German Borrowers; and

(e) any New Borrower designated as such in an Accession Deed,

and **CAF Borrower** means any one of them;

CAF Financiers means the banks and financial institutions specified in Annexure C, and **CAF Financier** means any one of them;

CAF Limit means:

(a) for the Cash Advance Facility granted by HSBC (Australia), AUD 100,000,000; and

(b) for the Cash Advance Facility granted by HSBC (US), AUD 100,000,000; and

(c) for the Cash Advance Facility granted by HSBC (UK), AUD 100,000,000,

in each case, as varied or cancelled in accordance with this Agreement or as varied from time to time with the prior written consent of HSBC (Australia), HSBC (US) and HSBC (UK);

Calculation Date means 30 June and 31 December in each year;

Calculation Period means each period of 12 months ending on a Calculation Date;

Capital Reduction has the meaning given to it in clause 12.1(x);

Capitalised Rent means in respect of a Finance Lease, at any time, the aggregate of:

(a) the greater of:

(i) the then present value (determined in a manner and on assumptions accepted by the Auditor) of all unpaid rent or other periodic payments (whether or not accrued) and the residual value to be paid under the Finance Lease; or

(ii) the then termination value (whatever called) of the Finance Lease (being the amount which would be paid under that Finance Lease if it was terminated as a result of a default by the lessee); and

(b) any other amount payable under any document associated with a Finance Lease;

Cash means cash as disclosed against the heading "Cash" in the consolidated audited and unaudited statements of financial position and statement of financial performance of the Group;

Cash Advance Facilities means the cash advance facilities granted to the Borrowers under clause 2.1;

Change of Control means, in respect of a corporation, a change in the control of the corporation which occurs when a person, who at the date of this Agreement does not have a "relevant interest" (as that term is defined in the Corporations Act) in 50% or more of the voting shares in the corporation, acquires or becomes the holder of such "relevant interest";

Claim means any claim, cost, damages, debt, expense, Tax, liability, loss, allegation, suit, action, demand, cause of action or proceeding of any kind irrespective of:

(a) how or when it arises;

(b) whether it is actual or contingent;

(c) whether or not it is in respect of legal or other costs, damages, expenses, fees or losses;

(d) whether or not it is in respect of a breach of trust or of a fiduciary or other duty or obligation; and

(e) whether or not it arises at law or in any other way;

Cleared Funds means money that is immediately available to the recipient and freely transferable by it;

Collateral Security means any Security Interest, Guarantee or other document or agreement at any time created or entered into as security for any of the Amount Owing, whether or not it also secures any other Financial Indebtedness;

Commitment means:

(a) in respect of the Cash Advance Facilities, AUD 300,000,000 or the Dollar Equivalent of AUD 300,000,000; and

(b) in respect of:

(i) the Trade Finance Facilities (other than the US Trade Facility), AUD 30,000,000, or the Dollar Equivalent of AUD 30,000,000; and

(ii) the US Trade Facility, USD 40,000,000,

in each case, as varied or cancelled in accordance with this Agreement. For the avoidance of doubt, the Commitment specified above for the Cash Advance Facilities, the Trade Finance Facilities (other than the US Trade Facility) and the US Trade Facility respectively is an aggregate amount for the relevant Facilities and not an amount for each individual Facility;

Commitment Fee means the percentage per annum set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by the Financiers to the Parent;

Compliance Certificate has the meaning given to it in clause 12.1(a)(iii);

Contingent Liability means uncalled capital held by any Group Company in any corporation other than another Group Company and any other contingent liability under a Guarantee given by any Group Company to any person other than a Group Company;

Controller has the same meaning as in the Corporations Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Cross Guarantee means the guarantee granted by the Guarantors in clause 22;

Current Assets means, at any time, those of the Total Tangible Assets which are current assets at that time as determined in accordance with accounting principles and practices generally accepted in Australia consistently applied;

Current Bank Guarantee has the meaning given to it in Schedule 4;

Current Documentary Credit has the meaning given to it in Schedule 2 or Schedule 3 (as the context may require);

Current Liabilities means, at any time, those of the secured and unsecured liabilities and other items falling within the definition of Total Indebtedness at that time which are current liabilities as determined in accordance with accounting principles and practices generally accepted in Australia consistently applied, except that current liabilities shall not include any liability to repay principal, to provide cash cover for maturing Bills, or in relation to any Guarantee, where the relevant financial accommodation was provided under a credit facility (not being an on demand facility) having a term expiring not less than 12 months after the date at which an examination is being made to determine Current Liabilities and where the Financial Indebtedness outstanding under that credit facility has not become due and payable prior to its stated maturity (whether upon default or through the exercise of an optional right of prepayment or termination or otherwise);

Deed of Cross Guarantee means any deed entered into in connection with the granting by the Australian Securities & Investments Commission of an order pursuant to Part 2M.6 of the Corporations Act;

Deed of Warranty means the deed of warranty and indemnity dated 22 September 1991 between NZFP Resources Limited, Carter Holt Harvey Limited and Sims Group Australia Holdings Limited (ABN 37 008 634 526);

Dispute has the meaning given to it in clause 25(d).

Documentary Credit has the meaning given to it in Schedule 2 or Schedule 3 (as the context may require);

Dollar Equivalent means, in relation to any amount in an Approved Foreign Currency on any day, the equivalent amount in AUD of that amount converted by the relevant Financier at the Spot Rate of exchange for the Approved Foreign Currency on that day;

EBITDA means, for a relevant period and in respect of the Group, the profit on ordinary activities before:

(a) taxation;

(b) Net Interest Expense; and

(c) amortisation of intangible assets and depreciation of tangible assets of the Group,

as shown on a consolidated basis and as disclosed in the Group's most recent audited consolidated annual Financial Reports or semi-annual audited or unaudited consolidated Financial Reports, as applicable.

For the purposes of calculating EBITDA, the calculation will exclude:

(d) any significant non-cash items or items disclosed as required by AASB 101.97 and AASB 101.98 due to their size or nature or by the corresponding provisions of future revisions of this accounting standard, that are of a non-recurring nature including but not limited to:

  (i) losses or gains on the sale or revaluation of assets;

  (ii) costs relating to restructuring and redundancy;

  (iii) discontinued operations;

  (iv) discounts on acquisition and gains on formation of joint ventures;

  (v) post acquisition adjustments to contingent liabilities recorded on the date of a business acquisition pursuant to purchase accounting rule changes to be introduced on 1 July 2009; and

  (vi) costs associated with becoming Sarbanes-Oxley Act compliant (as required following the Group's registration as an issuer in the United States of America);

(e) significant unrealized gains or losses;

(f) any other significant non-cash items or items including but not limited to:

  (i) write downs of inventory to net realisable value;

  (ii) revaluation increments to inventory; and

(iii) forgone profit arising from sales contract negotiations; and

(g) any impairment charge or loss (or gain or reversal) relating to the recoverable amount of assets (including any impairment charge relating to goodwill or identified intangible assets),

that are of a non-recurring nature.

The foregoing adjustments to EBITDA in paragraphs (d) to (f) for each Calculation Period will be agreed by the Financier and the Parent in writing prior to the end of that Calculation Period, subject to the operation of clause 25. For the avoidance of doubt, the adjustment to EBITDA in paragraph (g) is also subject to the operation of clause 25.

Except for the purpose of calculating the ratio of Net Interest Expense to EBITDA under clause 12.3(b), EBITDA as calculated on the Calculation Date will be adjusted to take into account the effects of any acquisitions or disposals of any company or business made during the Calculation Period ending on that Calculation Date. The adjustments will be made on the basis of the historical EBITDA of the company or business acquired or disposed of in the Calculation Period and ending on that Calculation Date by reference to historical EBITDA for the twelve months immediately preceding the Calculation Date and by reference to:

(a) in the case of a disposal, the period of time during which the applicable company or business was part of the Group; or

(b) in the case of an acquisition, for that period being the twelve months immediately preceding the Calculation Date;

Environmental Law means a law regulating or otherwise relating to the environment, including but not limited to:

(a) any law relating to land use or planning, pollution of air or water, soil or ground water contamination, chemicals, waste, use of dangerous goods, or to any other aspect of protection of the environment or persons or property; or

(b) any present or future statute relating to heritage places, the clearance of land within the boundaries of catchment areas or water reserves, or the protection or management of natural vegetation;

entity means a legal, administrative or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy resources in order to achieve objectives;

ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations thereunder;

Euro means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;

Event of Default means an event listed in clause 13.1;

Excluded Tax means, in respect of a Financier, a Tax imposed on the net income of the Financier as a consequence of the Financier being organised, doing business, being a resident of or receiving income from a source in a jurisdiction other than a Tax:

(a) imposed as a result of the Financier being deemed to be organised, doing business, resident or receiving income in that jurisdiction only because it has executed or delivered a Transaction Document, or performed its obligations, received a payment under or enforced a Transaction Document; or

(b) deducted or to be deducted from, and calculated on or by reference to, the gross amount of any payment received or receivable by the Financier under any Transaction Document (without allowance for any deduction);

Expiry Date for a Bank Guarantee, a Standby Letter of Credit or a Documentary Credit, has the meaning given to it in Schedule 2, Schedule 3 or Schedule 4, as the case may be;

Export Letter of Credit has the meaning given to it in Schedule 2;

Face Value Amount for a Bank Guarantee, a Standby Letter of Credit or a Documentary Credit, has the meaning given to it in Schedule 2, Schedule 3 or Schedule 4, as the case may be;

Facilities means each Cash Advance Facility, each Trade Finance Facility and the Hedging Facility and each facility which is part of any of those facilities, and **Facility** means any one of them;

Final Repayment Date means:

(a) the date notified by a Financier to a Relevant Borrower under clause 5.1;

(b) the date of any request by a Financier for repayment under clause 13.2;

(c) the date of any request by a Financier for repayment under clause 14; or

(d) such later date as may be agreed by the Financiers;

Finance Lease means any lease referred to in paragraph (c) of the definition of Financial Indebtedness where the lessee is a Group Company;

Financial Indebtedness means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

(a) Bill, bond, debenture, note or similar instrument;

(b) acceptance, endorsement or discounting arrangement;

(c) Guarantee;

(d) finance or capital Lease;

(e) agreement for the deferral for more than 90 days of a purchase price or other payment in relation to the acquisition of any asset or service;

(f) obligation to deliver goods or provide services paid for in advance by any financier;

(g) agreement for the payment of capital or premium on the redemption of any preference shares;

(h) interest or currency swap or hedge arrangement, financial option, futures contract or analogous transaction (the amount of such Financial Indebtedness being the marked to market value of the relevant transaction); or

(i) counter indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,

and irrespective of whether the debt or liability:

(j) is present or future;

(k) is actual, prospective, contingent or otherwise;

(l) is at any time ascertained or unascertained;

(m) is owed or incurred alone or severally or jointly or both with any other person; or

(n) comprises any combination of the above;

Financial Report in relation to an entity, means the following financial statements and information in relation to the entity, prepared for its financial half year or financial year:

(a) an income statement;

(b) a balance sheet;

(c) a statement of changes in equity; and

(d) a cash flow statement;

Financiers means the banks and financial institutions specified in Annexure B, and **Financier** means any one of them;

Funding Date means, in respect of an advance under a Facility, the date on which that advance is or is to be made;

Funding Notice means a notice given under clause 4 which satisfies the requirements of that clause 4;

Funding Period in relation to a Facility, has the meaning given to it in the Schedule for that Facility;

GBP means the lawful currency for the time being of the United Kingdom;

German Borrowers means:

(a) Sims M+R GmbH;

(b) Sims Group German Holdings GmbH; and

(c) any New Borrower designated as such in an Accession Deed,

and **German Borrower** means any one of them;

German Guarantor means a Guarantor incorporated in the Federal Republic of Germany;

Government Agency means:

(a) a government, whether foreign, federal, state, territorial or local;

(b) a department, office or minister of a government acting in that capacity; or

(c) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not;

Group means the Obligors and the companies specified in Part 3 of Annexure A, and **Group Company** means any one of them;

GST means any goods and services tax, value added tax or other similar tax;

Guarantee means any guarantee, indemnity, letter of credit or suretyship, or any other obligation (whatever called and of whatever nature):

(a) to pay, to purchase, to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of Assets, rights or services, or otherwise) for the payment or discharge of;

(b) to indemnify against the consequences of default in the payment of or compliance with the terms of; or

(c) otherwise to be responsible for,

any obligation or indebtedness, any dividend, capital or premium on shares or stock, or the insolvency or the financial condition of any other person;

Guaranteed Shares means any share or stock issued by a Group Company where the redemption of such share or stock or the payment of capital or dividends on such share or stock is the subject of a Guarantee of a Group Company or a Guarantee of another person who will have recourse in respect of its liability under that Guarantee directly or indirectly to a Group Company or its Assets (other than as a shareholder);

Guarantors means the companies specified in Part 2 of Annexure A and any New Guarantor, and **Guarantor** means any one of them;

Hedging Facilities means the respective hedging facilities made available by each Financier under clause 2.3;

HK Trade Borrowers means:

(a) Sims Metal Management Asia Limited (previously known as Sims Asia Holdings Limited); and

(b) any New Borrower designated as such in an Accession Deed,

and **HK Trade Borrower** means any one of them;

HK Trade Facility means the trade facility granted to the HK Trade Borrower under clause 2.2(b) as part of the relevant Trade Finance Facility;

HKD means the lawful currency for the time being of Hong Kong Special Administrative Region;

HSBC (Australia) means HSBC Bank Australia Limited (ABN 48 006 434 162);

HSBC (HK) means The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970);

HSBC (UK) means HSBC Bank plc;

HSBC (US) means HSBC Bank USA, National Association;

Insolvent means in relation to an entity, the situation where:

(a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

(b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or

(c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent which does not have, or is not likely to have, a Material Adverse Effect); or

(d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or

(e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

(f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Bank reasonably deduces it is so subject); or

(g) it is otherwise unable to pay its debts when they fall due; or

something having a substantially similar effect to (a) to (g) happens in connection with that entity under the law of any jurisdiction;

Intangible Assets means in respect of a Group Company or the Group taken as a whole (as the case may be), all its goodwill, copyright, patents, trade marks and licences, research and development, future income tax benefit, underwriting and formation expenses and other items of a like nature which according to current accounting practices are regarded as unidentifiable and intangible assets;

Interest Payment Date in respect of a Facility has the meaning given to it in the Schedule for that Facility;

Issuance Date means, with respect to a Documentary Credit, Bank Guarantee, or Standby Letter of Credit, the date on which that Documentary Credit, Bank Guarantee or Standby Letter of Credit is or is to be issued;

Issue means any dispute (other than a dispute that is frivolous or vexatious) between the Parent and the Financiers as to the calculation of the adjustments to be made in accordance with paragraphs (d) to (g) of the definition of EBITDA in this clause 1.1;

Latest Audited Consolidated Statement of Financial Position means the most recently prepared audited consolidated statement of financial position of the Group as at or prior to the date at which an examination is being made to determine Total Indebtedness, Total Tangible Assets, Current Assets, Current Liabilities or Shareholders' Funds;

Lease means:

(a) any lease, charter or hiring arrangement of any property;

(b) any other agreement under which any property is or may be used or operated by a person other than the owner; or

(c) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its Related Party (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature, (other than agreements under which the manager of a joint venture uses assets owned by the joint venturers on behalf of the joint venture);

Lending Office means, in relation to a Financier and a Borrower to which the Financier provides a Facility under this Agreement, the office of the Financier in the Borrower's Relevant Jurisdiction set out in Annexure B;

Margin means, for a Facility made available by a Financier under this Agreement, the Financier's Margin for that Facility as defined in the relevant Schedule;

Material Adverse Effect means, in the opinion of a Financier, a material adverse effect on:

(a) the financial condition of the Obligors taken as a whole;

(b) any Obligor's ability to perform any of its obligations under the Transaction Documents;

(c) the validity or enforceability of the whole or any material part of any Transaction Document, or any material rights or remedies of a Financier under the Transaction Documents; or

(d) any Security Interest provided to a Financier by an Obligor;

Net Interest Expense means, for any period in respect of the Group, the aggregate amount of all interest paid or accrued during that period in respect of the sum of all monies borrowed or raised by or in respect of any financial accommodation granted to any Group Company (including, but not limited to, any fees and charges with respect of any guarantee, indemnity or letter of credit or under any bill of exchange, promissory note or any other acceptance or discounting arrangement and any finance charges paid or payable under any higher purchase agreement or lease agreement for which a Group Company is actually or contingently liable) less any interest income of the Group for that period, in each case on a consolidated basis;

New Borrower means each Subsidiary of the Parent (other than any Subsidiary of the Parent incorporated in New Zealand) and each other company which becomes a Borrower under this Agreement pursuant to clause 23;

New Guarantor means an entity or company which becomes a Guarantor under this Agreement pursuant to clause 24;

NZD means the lawful currency for the time being New Zealand;

Obligors means the Borrowers and the Guarantors, and **Obligor** means any one of them;

Opening Date for a Bank Guarantee or a Standby Letter of Credit or a Documentary Credit, has the meaning given to it in Schedule 2, Schedule 3 or Schedule 4, as the case may be;

Other Bank Documents means agreements (other than this Agreement) evidencing Financial Indebtedness entered into between a Group Company as borrower, or will enter as borrower, and any other party or parties;

Other Hedging Arrangements means arrangements that any Group Company has entered, or will enter, into with any other party in the ordinary course of business to manage that Group Company's exposure to future movements in interest or currency rates or other similar rates, prices or indices (excluding any transactions conducted through any registered futures exchange and any transactions in respect of commodity prices);

Overdue Rate means the aggregate of **[*]** and:

(a) in the case of an amount in respect of which there is a Base Rate and a Margin, the sum of the Base Rate and the Margin for that amount; and

(b) in all other cases, the Base Lending Rate;

Parent means Sims Metal Management Limited (ABN 69 114 838 630);

Permitted Security Interest means a lien arising by operation of law in the ordinary course of day to day business and not securing any Financial Indebtedness where the relevant Obligor pays any indebtedness secured by such a lien on the due date other than indebtedness contested in good faith;

Potential Event of Default means an event which would be likely to become an Event of Default with the giving of notice, the passage of time, any determination of materiality or the fulfilment of any other condition;

Principal Outstanding means, at any time:

(a) in respect of the Cash Advance Facility, the aggregate of all outstanding Advances denominated in AUD and the Dollar Equivalent of all outstanding Advances in an Approved Currency and the aggregate of all amounts contemplated in paragraph (b) at that time; and

(b) in respect of the Trade Finance Facilities only, the aggregate of:

(i) the total Face Value Amount of all Current Documentary Credits, Current Bank Guarantees and Current Standby Letters of Credit denominated in AUD and the Dollar Equivalent of the total Face Value all Current Documentary Credits, Current Bank Guarantees and Current Standby Letters of Credit denominated in an Approved Currency at that time; and

(ii) all outstanding Trade Advances denominated in AUD and the Dollar Equivalent of all outstanding Trade Advances in an Approved Currency at that time;

Related Company means, in relation to a company, any other company of which the first mentioned company is the Holding Company, a Subsidiary or a Subsidiary of the Holding Company of such other company;

Related Party means, in relation to an entity, a party which is directly, or indirectly through one or more intermediaries, controlled by such entity, where "control" has the meaning given to it in Accounting Standard AASB 124: Related Party Disclosures;

Relevant Borrowers means, in respect of a Financier, the Borrowers to which the Financier provides a Facility under this Agreement;

Relevant Jurisdictions means Australia, the United States of America, the United Kingdom, Germany and any other jurisdiction in which an Obligor is incorporated, and **Relevant Jurisdiction** means any one of them;

Repayment Date in respect of a Facility, has the meaning given to it in the Schedule for that Facility;

Review Event means, in respect of a Facility and a Financier, the event specified in clause 14.1;

Secured Indebtedness means, at any time, the aggregate amount of all secured liabilities of the Group;

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Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or liability and any arrangement under which rights are subordinated to the rights of another party, including:

(a) a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation or other security interest;

(b) any other arrangement having the effect of conferring security (including any conditional sale, hire purchase or lease agreement, or arrangement for the retention of title or sale and repurchase arrangement); or

(c) any contractual arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts;

Shareholders' Funds means the Total Tangible Assets less Total Indebtedness;

Spot Rate means the best rate reasonably obtainable by the relevant Financier in accordance with its usual practice and in the interbank market selected by it for the purchase of one currency with another at or about 11:00 am on the day such exchange rate is to apply and in the case of a Funding Period the rate so obtainable on the first day of that Funding Period;

Standby Letter of Credit has the meaning given to it in Schedule 4;

Subsidiary has the same meaning as in the Corporations Act;

Tangible Assets means all Assets other than Intangible Assets;

Tangible Net Worth means, at any time, Shareholders' Funds at that time less Total Intangible Assets at that time;

Tax means a tax, levy, charge, impost, deduction, withholding or duty of any nature (including stamp and transaction duty and GST) at any time:

(a) imposed or levied by any Government Agency; or

(b) required to be remitted to, or collected, withheld or assessed by, any Government Agency,

and any related interest, expense, fine, penalty or other charge on those amounts and includes any amount that a person is required to pay to another person on account of that other person's liability for Tax but does not include an Excluded Tax;

Total Indebtedness means at any time the aggregate amount (as disclosed by the Latest Audited Consolidated Statement of Financial Position) of all secured and unsecured liabilities of the Group together with, unless already included in the Latest Audited Consolidated Statement of Financial Position:

(a) the aggregate amount (as disclosed by its latest audited statement of financial position) of all secured and unsecured liabilities of any entity which has become a Group Company since the date of the Latest Audited Consolidated Statement of Financial Position and all other amounts which would be included in this definition if references to the Latest Audited Consolidated Statement of Financial Position were to the latest audited statement of financial position of that entity;

(b) the unrepaid principal (or its equivalent) of any Financial Indebtedness (including the Capitalised Rent under each Finance Lease) where the proceeds or benefits of that Financial Indebtedness:

(i) have been received by any Group Company, since the date of the Latest Audited Consolidated Statement of Financial Position, excluding the amount of any such proceeds which have been applied in reduction of any secured or unsecured liabilities included in this definition; or

(ii) are to be received by any Group Company and the receipt of such proceeds or benefits has been underwritten or otherwise assured to the satisfaction of the Auditor;

(c) the Capitalised Rent under each Finance Lease as at the date of the Latest Audited Consolidated Statement of Financial Position;

(d) the paid up capital amount and accrued but unpaid dividends of Guaranteed Shares,

and after:

(e) deducting:

(i) the aggregate amount of all secured and unsecured liabilities of any entity which has ceased to be a Group Company since the date of the Latest Audited Consolidated Statement of Financial Position and in respect of which no other Group Company has any liability; and

(ii) the aggregate amount of all liabilities which in the opinion of the Auditor have been defeased in such a way as to enable any such liability to be considered as having been extinguished within the meaning of paragraph 30 of Australian Accounting Standard AAS23; and

(iii) debt reductions of the type referred to in (b)(iii) of the definition of "Total Tangible Assets";

(f) eliminating all inter-entity balances among the members of the Group or any of them (including any Group Company which has become one since the date of the Latest Audited Consolidated Statement of Financial Position); and

(g) making such further adjustments (including, without limitation, elimination of any double counting arising in relation to any Guarantee and the obligation or indebtedness the subject of the Guarantee) which in the opinion of the Auditor are appropriate to make a proper determination of the total amount of the aggregate indebtedness of the Group.

In this definition references to "secured and unsecured liabilities" shall include (without limiting the generality of the expression) all Financial Indebtedness and provisions for estimated liabilities for income taxes, long service leave and dividends recommended, declared or accrued but unpaid and provisions for any Contingent Liability but shall not include paid up share capital (other than Guaranteed Shares), reserves of any nature or undistributed profit;

Total Intangible Assets means, at any time, the aggregate of the book values, as disclosed by the Latest Audited Consolidated Statement of Financial Position, of all Intangible Assets of the Group at that time;

Total Tangible Assets means at any time the aggregate of the book values, as disclosed by the Latest Audited Consolidated Statement of Financial Position, of all Tangible Assets of the Group and of such Intangible Assets of the Group as a Financier in its sole and absolute discretion may from time to time agree, together with, (unless already included in the Latest Audited Consolidated Statement of Financial Position):

(a) the aggregate (as disclosed by its latest audited statement of financial position) of the book value of the Tangible Assets as determined by the Auditor (after making provisions for depreciation and bad and doubtful debts and any income yet to mature) of any entity which has become a Group Company since the date of the Latest Audited Consolidated Statement of Financial Position;

(b) (i) the aggregate proceeds of any issue of shares or stock (including premium) of any Group Company received since the balance date of the Latest Audited Consolidated Statement of Financial Position; and

(ii) the aggregate proceeds of any calls on partly paid shares made by any Group Company which have been received since the balance date of the Latest Audited Consolidated Statement of Financial Position,

excluding the amount of any such proceeds which:

(iii) have been applied in reduction of any secured or unsecured liabilities included in the definition of "Total Indebtedness"; or

(iv) have been applied in acquiring any assets included in Total Tangible Assets under this definition;

(c) the book value of any Tangible Assets (not excluded as provided below) acquired since the date of the Latest Audited Consolidated Statement of Financial Position by any Group Company with the proceeds of the sale of shares or units in any entity which has ceased to be a Group Company since that date;

(d) the book value of all assets which are or may be leased, chartered, hired, managed, used or operated under a Finance Lease (where the Capitalised Rent has been included in Total Indebtedness) as determined by the Auditor at least annually or (at the option of the Parent) the value as at the date of calculation as assessed by a qualified independent valuer chosen by the Parent and approved by a Financier);

(e) the proceeds of any Indebtedness referred to in paragraph (b) of the definition of "Total Indebtedness" excluding the amount of any proceeds which:

(i) have been applied in reduction of any other secured or unsecured liabilities included in that definition; or

(ii) have been applied in acquiring any Assets included in Total Tangible Assets under this definition;

(f) if a revaluation of a Tangible Asset of any Group Company has been carried out by an independent valuer approved by a Financier, the excess (if any) of the fair value of that Tangible Asset as established by the valuer over its book value (as disclosed in the Latest Audited Consolidated Statement of Financial Position or, in the case of any entity which has become a Group Company since the Latest Audited Consolidated Statement of Financial Position, as disclosed in the latest audited statement of financial position of that entity) and as accepted by the Auditor without qualification, and after deducting:

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(g) the amount of any income yet to mature and the amount of provisions for depreciation and for bad and doubtful debts as disclosed by the Latest Audited Consolidated Statement of Financial Position;

(h) the aggregate (as disclosed by the latest audited statement of financial position of the relevant entity) of the book values of the Tangible Assets of any entity which has ceased to be a Group Company since the date of the Latest Audited Consolidated Statement of Financial Position, other than Tangible Assets of that entity which have become assets of another Group Company since that date (except that, where a revaluation of any asset had previously been made under paragraph (f), the fair value of that asset as determined in accordance with that paragraph shall be used instead of the book value);

(i) the book value of any Tangible Assets of any Group Company which have been applied since the date of the Latest Audited Consolidated Statement of Financial Position in the acquisition of any entity which has become a Group Company since that date (except that, where a revaluation of any asset had previously been made under paragraph (f), the fair value of that asset as determined in accordance with that paragraph shall be used instead of the book value); and

(j) if a revaluation of a Tangible Asset of any Group Company has been carried out by an independent valuer (whether at the request of a Financier or otherwise), the excess (if any) of the book value of that Tangible Asset (as disclosed in the Latest Audited Consolidated Statement of Financial Position or, in the case of any entity which has become a Group Company since the Latest Audited Consolidated Statement of Financial Position, as disclosed in the latest audited statement of financial position of that entity) over its fair value as established by the valuer and as accepted by the Auditor without qualification,

and after:

(k) eliminating all inter-entity balances among any of the Group (including any Group Company which has become such since the Latest Audited Consolidated Statement of Financial Position); and

(l) making such further adjustments as may properly be necessary to avoid any double counting of assets or as may be required by the Auditor to enable a proper determination to be made of the total amount of the Total Tangible Assets;

Trade Advance for a Trade Facility, has the same meaning given to it in Schedule 2;

Trade Borrowers means the Australian Trade Borrowers, the HK Trade Borrowers and the US Trade Borrowers and **Trade Borrower** means any one of them;

Trade Credit Limit means:

(a) for the Trade Finance Facility granted by HSBC (Australia), AUD 5,000,000;

(b) for the Trade Finance Facility granted by HSBC (HK), AUD 25,000,000; and

(c) for the Trade Finance Facility granted by HSBC (UK), USD 40,000,000,

in each case, as varied or cancelled in accordance with this Agreement or as varied from time to time with the prior written consent of HSBC (Australia), HSBC (HK) and HSBC (UK);

Trade Facilities means the trade facilities granted to the Australian Trade Borrowers, the HK Trade Borrower and the US Trade Borrower under clause 2.2(a), clause 2.2(b) and

clause 2.2(c) (respectively) as part of the relevant Trade Finance Facility, and **Trade Facility** means any one of them;

Trade Finance Facilities means:

(a) in respect of HSBC (Australia), the Trade Facilities and the Bank Guarantee and Standby Letter of Credit Facility granted by HSBC (Australia) under clause 2.2(a);

(b) in respect of HSBC (HK), the Trade Facility granted by HSBC (HK) under clause 2.2(b); and

(c) in respect of HSBC (UK), the Trade Facility granted by HSBC (UK) under clause 2.2(c),

and **Trade Finance Facility** means any one of them;

Trade Financiers means HSBC (Australia), HSBC (HK) and HSBC (UK) and **Trade Financier** means any of them;

Transaction Documents means:

(a) this Agreement;

(b) each Treasury Document;

(c) each document which a Financier and an Obligor agree in writing is a Transaction Document for the purposes of this Agreement; and

(d) each document entered into or provided under any of the documents described in paragraphs (a), (b) or (c) or for the purpose of amending or novating any of those documents, including any Bank Guarantee, Documentary Credit or Export Letter of Credit,

and **Transaction Document** means any of them and, when used in relation to an Obligor, means any of those documents to which that Obligor is a party;

Treasury Document means any currency or interest rate swap agreement, forward interest rate agreement foreign exchange agreement or similar agreement made been a Financier and one or more members of the Group from time to time;

UCP has the meaning given to it in Schedule 2 or Schedule 3 (as the context may require);

UK Borrowers means:

(a) Sims Group UK Holdings Limited;

(b) Sims Group UK Limited;

(c) Mirec BV;

(d) Sims Metal Management Asia Limited; and

(e) any New Borrower designated as such in an Accession Deed,

and **UK Borrower** means any one of them;

Undrawn Commitment means, at any time the Commitment less the Principal Outstanding;

USD means the lawful currency for the time being of the United States of America;

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USD Equivalent means, in relation to any amount in an Approved Currency on any day, the equivalent amount in USD of that amount converted by the relevant Financier at the Spot Rate of exchange for the Approved Currency on that day;

US Borrowers means:

(a) Sims Group USA Corporation;

(b) Metal Dynamics Detroit LLC;

(c) Metal Management Alabama, Inc.;

(d) Metal Management Arizona, L.L.C.;

(e) Metal Management Connecticut, Inc.;

(f) Metal Management Memphis, L.L.C.;

(g) Metal Management Midwest, Inc.;

(h) Metal Management Mississippi, Inc.;

(i) Metal Management Northeast, Inc.;

(j) Metal Management Ohio, Inc.;

(k) Metal Management West, Inc.;

(l) Metal Management, Inc.;

(m) Proler Southwest LP; and

(n) any New Borrower designated as such in an Accession Deed,

and **US Borrower** means any one of them;

US Trade Borrowers means:

(a) Sims Group Global Trade Corporation; and

(b) any New Borrower designated as such in an Accession Deed,

and **US Trade Borrower** means any one of them; and

US Trade Facility means the trade facilities granted to the US Trade Borrower under clause 2.2(c) as part of the relevant Trade Finance Facility.

1.2 Interpretation

(a) In this Agreement, unless the context requires another meaning, a reference:

(i) to the singular includes the plural and vice versa;

(ii) to a gender includes all genders;

(iii) to a document (including this Agreement) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;

(iv) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;

(v) to a party means a party to this Agreement;

(vi) to an item, Recital, clause, section, Schedule or Annexure is to an item, Recital, clause, section, Schedule or Annexure of or to this Agreement;

(vii) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with a Transaction Document;

(viii) to a person (including a party) includes:

(A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;

(B) the person's successors, permitted assigns, substitutes, executors and administrators; and

(C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;

(ix) to a statute is to a statute of Australia, unless otherwise specified;

(x) to a law:

(A) includes a reference to any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange in any Relevant Jurisdiction; and

(B) is a reference to that law as amended, consolidated, supplemented or replaced;

(C) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation in any Relevant Jurisdiction; and

(D) of Australia in a Transaction Document, extends, in relation to a party to the Transaction Document incorporated in another jurisdiction, to any equivalent law of the jurisdiction where that party is incorporated;

(xi) to proceedings includes litigation, arbitration and investigation;

(xii) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;

(xiii) to time in relation to an obligation required to be performed, or any other action required to be taken, in a Relevant Jurisdiction is to the time in that Relevant Jurisdiction;

(xiv) to the words "including" or "includes" means "including but not limited to" or "includes without limitation"; and

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(xv) to drawing, endorsement, acceptance or other dealing in respect of a Bill is a reference to drawing, endorsement, acceptance or other dealing within the meaning of the *Bills of Exchange Act 1909* (Cth) or any equivalent legislation in a Relevant Jurisdiction.

(b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(c) Headings are for convenience only and do not affect interpretation of this Agreement.

(d) This Agreement may not be interpreted adversely to a party only because that party was responsible for preparing it.

1.3 Joint and several liability

(a) Each agreement, warranty, representation or obligation made, given or incurred by an Obligor binds all Obligors in this Agreement jointly and each of them severally.

(b) Each Financier may enforce its rights under this Agreement and proceed against any one or more Obligors in the manner, order and at the times the Financier determines in its absolute discretion. A Financier is not required to enforce its rights or proceed against all Obligors.

(c) A notice given by a Financier to the Parent or to any one Obligor with a copy to the Parent is to be considered to have been given to all Obligors.

1.4 Financier's several obligations

(a) The obligations of each Financier under the Transaction Documents are several.

(b) Failure by a Financier to perform its obligations under a Transaction Document does not relieve any other Financier or a Borrower from any of their respective obligations.

(c) A Financier is not responsible for the obligations of any other Financier or of a Borrower.

(d) A representation, warranty, undertaking or obligation of a Financier or the Financiers binds each Financier severally only.

1.5 Current Accounting Practice

(a) Any accounting practice or concept relevant to this Agreement is to be construed or determined in accordance with generally accepted accounting standards in Australia (***Accounting Standards***).

(b) Each Financier and Obligor acknowledges that changes in the Accounting Standards after the date of this Agreement may make the operation of the financial undertakings set out in clause 12.3, a defined term or another clause in a Transaction Document that refers to the Accounting Standards or any accounting practice or concept, inappropriate.

(c) If the Parent or a Financier considers that such a change has occurred and notifies the Financiers or the Parent (as applicable) to that effect (the date such notice is given, the ***Notification Date***), the Parent and the Financiers agree to negotiate in good faith to agree to appropriate amendments to the affected clause or definition.

(d) If the Parent and the Financiers fail to agree on amendments to the affected clause or definition within 20 Business Days (or such other period as may be agreed

between the Parent and the Financiers) of the Notification Date, then any references to the Accounting Standards in this Agreement or any other Transaction Document will be deemed to be a reference to the Accounting Standards as at the date of this Agreement.

(e) Unless and until an agreement is reached as contemplated in this clause 1.5, the Borrowers will provide each Financial Report and Compliance Certificate together with, in each case, any reconciliation statements (audited, where applicable) necessary to enable calculation of the financial undertakings and associated definitions based on the Accounting Standards prior to the relevant change occurring and those changes will be ignored for the purposes of the financial undertakings and the relevant definitions.

2. THE FACILITIES

2.1 Cash Advance Facility

(a) Each of the CAF Financiers grants to each of the CAF Borrowers a cash advance facility under which each CAF Borrower may obtain Advances in an Approved Currency, on the terms and conditions set out in this Agreement, including those in Schedule 1.

(b) A CAF Financier is not obliged to provide financial accommodation to a CAF Borrower if, as a result of providing that financial accommodation:

(i) the Principal Outstanding under the Cash Advance Facility provided by that CAF Financier would exceed the CAF Limit corresponding to that CAF Financier; or

(ii) the Principal Outstanding under the Cash Advance Facilities provided by all CAF Financiers would exceed the Commitment corresponding to the Cash Advance Facilities.

2.2 Trade Finance Facility

(a) HSBC (Australia) grants to the Australian Trade Borrowers a Trade Finance Facility under which:

(i) an Australian Trade Borrower may utilise any one or more of the Trade Facilities on the terms and conditions set out in this Agreement, including those in Schedule 2; and

(ii) an Australian Trade Borrower may obtain Bank Guarantees and Standby Letters of Credit issued by HSBC (Australia) on the terms and conditions set out in this Agreement, including those in Schedule 4.

(b) HSBC (HK) grants to the HK Trade Borrowers a Trade Finance Facility under which a HK Trade Borrower may utilise any one or more of the Trade Facilities on the terms and conditions set out in this Agreement, including those in Schedule 2.

(c) HSBC (UK) grants to the US Trade Borrowers a Trade Finance Facility under which a US Trade Borrower may utilise any one or more of the Trade Facilities on the terms and conditions set out in this Agreement, including those in Schedule 3.

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(d) A Trade Financier is not obliged to provide financial accommodation to a Trade Borrower if, as a result of providing that financial accommodation:

(i) the Principal Outstanding under the Trade Finance Facility provided by that Trade Financier would exceed the Trade Credit Limit corresponding to that Trade Financier; or

(ii) the Principal Outstanding under the Trade Finance Facility provided by each Trade Financier would exceed the Commitment corresponding to the Trade Finance Facilities.

2.3 Hedging Facility

(a) HSBC (Australia) agrees to provide a hedging facility to the Australian Borrowers on the terms of Schedule 5.

(b) HSBC (HK) agrees to provide a hedging facility to the HK Trade Borrowers on the terms of Schedule 5.

(c) HSBC (UK) agrees to provide a hedging facility to the UK Borrowers on the terms of Schedule 5.

(d) HSBC (US) agrees to provide a hedging facility to the US Borrowers on the terms of Schedule 5.

2.4 Purpose

(a) A Borrower must only utilise a Facility for an Approved Purpose of that Facility.

(b) Each Financier is not bound to enquire as to the application by a Borrower of any utilisation of a Facility and has no responsibility for that application.

2.5 Cancellation of Undrawn Commitment

For a Facility granted by a Financier under clause 2.1 or clause 2.2:

(a) the Undrawn Commitment is cancelled at 5:00 pm on the last day of the Availability Period;

(b) the Parent may cancel all or part of the Undrawn Commitment at any time during the Availability Period if:

(i) HSBC (Australia) receives prior written notice specifying the proposed date and amount of the cancellation and whether the cancellation is in respect of the Cash Advance Facility or the Trade Finance Facility or both; and

(ii) in the case of a partial cancellation, it is at least $250,000 and a whole multiple of $100,000 unless HSBC (Australia) agrees otherwise;

(c) a written notice of cancellation given under clause 2.5(b) must be signed by an Authorised Officer of the Parent giving the notice and is irrevocable once given;

(d) the Undrawn Commitment is cancelled, and the Commitment in respect of the applicable Facility is reduced, with effect from the proposed date of cancellation specified in a notice of cancellation under clause 2.5(b) by an amount equal to the amount specified in the notice of cancellation;

(e) the Borrowers must pay to the Financier all fees, expenses and other amounts accrued (whether or not yet payable) under the Transaction Documents up to the

date of cancellation specified in a notice of cancellation under clause 2.5(b) on or before the date of cancellation; and

(f) any cancellation of all or part of the Undrawn Commitment proposed in a notice of cancellation under clause 2.5(b) and which is to take effect after the Financier has received a request for financial accommodation will be reduced to the extent necessary to ensure that, after providing the requested financial accommodation, the Principal Outstanding will not exceed the Commitment.

3. CONDITIONS PRECEDENT

3.1 Conditions precedent to initial funding

No Financier is obliged to make the first funding available under this Agreement unless HSBC (Australia) confirms in writing that each of the following conditions precedent is satisfied or waived by all Financiers:

(a) HSBC (Australia) has received the following documents in form and substance satisfactory to it:

(i) a certificate substantially in the form of Annexure E providing the details and annexures specified in that Annexure for each Obligor, which is dated not more than 5 days before the date of HSBC (Australia)'s confirmation and is signed by a director or company secretary of the Obligor;

(ii) each original power of attorney under which a Transaction Document has been or will be executed by an Obligor;

(iii) duly executed counterparts of each Transaction Document;

(iv) certified copies of all documents evidencing that:

(A) all Authorisations necessary or desirable for the entry into, or the performance of, the Transaction Documents by each Obligor have been obtained;

(B) all necessary filings, registrations or other formalities have been completed;

(C) all Taxes and other fees have been paid, or sufficient funds have been provided to the Financier for the payment of all Taxes and other fees, to ensure that the Transaction Documents are valid, binding and enforceable;

(v) any other documents, assurances, opinions and information that HSBC (Australia) requires.

3.2 Benefit of conditions precedent

The conditions precedent in clause 3.1 are for the benefit of each Financier only and may only be waived by all Financiers. If satisfaction of any condition precedent or condition subsequent is waived on condition that an Obligor satisfy that or any other requirement at or before a particular time, that Obligor must comply with that condition.

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4. FUNDING

4.1 Funding Notice

(a) A Financier is not obliged to make a Facility available for utilisation by a Relevant Borrower unless:

(i) a Funding Notice which satisfies the requirements of clause 4.1(b) has been delivered to the Lending Office of HSBC (Australia) and the Lending Office of the Financier no later than 11:00 am:

(A) in respect of the Trade Finance Facilities, on the proposed Issuance Date or Funding Date, as the case may be; and

(B) in respect of amounts to be made available by HSBC (Australia), HSBC (UK), HSBC (US) or HSBC (HK), 2 Business Days before the proposed Funding Date,

or at a later time agreed in writing by the relevant Financier;

(ii) all conditions precedent to utilisation of that Facility, including those set out in clause 3.1, have been satisfied; and

(iii) as at the date of the Funding Notice and the proposed Funding Date or Issuance Date, as applicable:

(A) all representations and warranties made by that Relevant Borrower and each other Obligor in, or in connection with, a Transaction Document are true and not misleading, by omission or in any other way; and

(B) no Event of Default or Potential Event of Default has occurred which has not been remedied or waived by all Financiers or would result from the proposed utilisation of that Facility.

(b) Each Funding Notice must:

(i) be in legible writing and:

(A) in the case of the Cash Advance Facility and the Bank Guarantee and Standby Letter of Credit Facility, substantially in the form of Annexure D and must specify the matters set out in that Annexure; and

(B) in the case of any Trade Facilities to be provided by a Trade Financier, be in such form and include such application forms, authorities and documents which that Trade Financier requires;

(ii) be signed by an Authorised Officer of the Relevant Borrower; and

(iii) specify the Funding Date or Issuance Date, as applicable, which must be a Business Day during the Availability Period for that Facility.

(c) Each Funding Notice:

(i) constitutes a representation and warranty by the Borrower under this Agreement that no Event of Default or Potential Event of Default has occurred which has not been remedied or waived by all Financiers or will occur as a result of the proposed utilisation of the Facility; and

(ii) once given is irrevocable.

4.2 Limitations on Funding Notices

A Relevant Borrower must not give a Funding Notice to a Financier and the Financier is not obliged to provide any financial accommodation requested by that Relevant Borrower under a Facility granted by the Financier to the Relevant Borrowers if, as a result of the Financier providing the financial accommodation requested in the Funding Notice:

(a) the Principal Outstanding would exceed the Commitment;

(b) if the Facility is a Trade Finance Facility, the Principal Outstanding under the Trade Finance Facility would exceed the Trade Credit Limit corresponding to the relevant provider of that Trade Finance Facility; or

(c) if the Facility is a Cash Advance Facility, the Advance requested in the Funding Notice when aggregated with all outstanding Advances provided by that Financier would exceed the CAF Limit corresponding to the relevant provider of that Cash Advance Facility.

5. TERMINATION AND REPAYMENT

5.1 Termination

If a Financier determines to terminate a Facility provided by it, it must notify the Parent and each other Financier of the date upon which that Facility will be terminated. The date notified to the Parent under this clause 5.1 shall be 19 months after the date the notice was provided under this clause 5.1 and the date so notified will be deemed to be the Final Repayment Date.

5.2 Repayment

(a) Each Borrower must pay in full the Amount Owing by it to the Financiers on the Final Repayment Date.

(b) On the Final Repayment Date, each Trade Borrower must pay to:

(i) HSBC (Australia) (in respect of a Trade Finance Facility provided by HSBC (Australia)) an amount equal to the aggregate of the total Face Value Amount of all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits denominated in AUD and the Dollar Equivalent of the total Face Value Amount of all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits denominated in an Approved Currency, which in each case have been drawn by that Trade Borrower and which correspond to HSBC (Australia) as the relevant provider of that Trade Finance Facility. Such amount will be dealt with by HSBC (Australia) in accordance with clause 13.3;

(ii) HSBC (HK) (in respect of a Trade Finance Facility provided by HSBC (HK)) an amount equal to the aggregate of the total Face Value Amount of all Current Documentary Credits denominated in AUD and the Dollar Equivalent of the total Face Value Amount of all Current Documentary Credits denominated in an Approved Currency, which have been drawn by that Trade Borrower and which correspond to HSBC (HK) as the relevant provider of that Trade Finance Facility. Such amount will be dealt with by HSBC (HK) in accordance with clause 13.3; and

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(iii) HSBC (UK) (in respect of a Trade Finance Facility provided by HSBC (UK)) an amount equal to the aggregate of the total Face Value Amount of all Current Documentary Credits denominated in USD and the USD Equivalent of the total Face Value Amount of all Current Documentary Credits denominated in an Approved Currency, which have been drawn by that Trade Borrower and which correspond to HSBC (UK) as the relevant provider of that Trade Finance Facility. Such amount will be dealt with by HSBC (UK) in accordance with clause 13.3.

6. COMMITMENT EXCEEDED

6.1 Excess of limit

If a Financier determines in good faith that the Dollar Equivalent of the Principal Outstanding under the Cash Advance Facility or the Trade Finance Facility exceeds the limit of that Facility, the Parent and the Relevant Borrowers must take remedial measures to the Financier's satisfaction with respect to the excess as soon as possible, and in any event no later than 10 Business Days after being demanded to do so by the Financier.

6.2 Cash cover

(a) If at any time the Principal Outstanding under the Cash Advance Facility exceeds 105% of the Commitment, the Parent shall deposit into the account held by the Parent with HSBC (Australia) (the "Margin Account") the amount of the currency certified by HSBC (Australia) as being required to ensure that the Principal Outstanding at that time less the amount standing to the credit of the Margin Account will not exceed the Commitment.

(b) If, in respect of a Trade Finance Facility, and at any time, the Principal Outstanding under that Trade Finance Facility exceeds 105% of the Trade Credit Limit corresponding to the provider of that Trade Finance Facility, the Parent shall deposit into the Margin Account the amount of the currency certified by HSBC (Australia) as being required to ensure that the Principal Outstanding under that Trade Finance Facility at that time less the amount standing to the credit of the Margin Account will not exceed the Trade Credit Limit corresponding to the provider of that Trade Finance Facility.

(c) The Parent may demand or require repayments or withdrawals of any amounts standing to the credit of the Margin Account and HSBC (Australia) will comply with any such demand or requirement from the Parent) only to the extent or amount that:

(i) the Commitment exceeds the Principal Outstanding at that time plus the amount (including interest) standing to the credit of the Margin Account; and

(ii) in respect of a Trade Finance Facility, the Trade Credit Limit corresponding to the provider of that Trade Finance Facility exceeds the Principal Outstanding under that Trade Finance Facility at that time plus the amount (including interest) standing to the credit of the Margin Account,

at the relevant time.

(d) Other than as permitted by clause 6.2(c), the Parent may not demand or require repayments or withdrawals of any amounts standing to the credit in the Margin Account and HSBC (Australia) will not be required to comply with such demand or

requirement unless and until all moneys, liabilities and obligations due or owing to HSBC (Australia) under the Facilities have been paid and satisfied in full.

(e) HSBC (Australia) shall pay interest on the amounts standing to the credit of the Margin Account. Interest shall be calculated daily and be payable monthly in arrears. The applicable interest rate shall be the rate quoted in good faith by HSBC (Australia) as the rate at which it would accept 24 hour call deposits of a similar amount and in the same currency or currencies as the credit balance in the Margin Account.

7. PAYMENTS

7.1 Payments by an Obligor

All payments by an Obligor to a Financier under a Transaction Document must be made:

(a) to the Lending Office of the Financier in the Relevant Jurisdiction where the Obligor is incorporated, or, where the Financier does not have a Lending Office in that Relevant Jurisdiction or otherwise, such other office specified by the Financier;

(b) not later than 11:00 am on the due date for payment;

(c) in Cleared Funds; and

(d) to the account specified by the Financier,

or in any other manner that the Financier notifies to the Obligor provided that that other manner is consistent with normal practice in the Relevant Jurisdiction where the Obligor is incorporated and in the jurisdiction from which the payment is to be made.

7.2 Currency of payment

Payments by an Obligor to a Financier under the Transaction Documents must be made as follows:

(a) repayments and prepayments of principal amounts must be made in the currency in which those amounts are denominated;

(b) interest must be paid in the currency in which the amount in respect of which the interest has accrued is denominated;

(c) amounts payable in respect of:

(i) costs, expenses, Taxes and other disbursements incurred or payable by the Financier must be paid in the currency in which they were incurred; and

(ii) each other amount payable under the Transaction Documents must be paid in the currency specified in the Transaction Documents.

7.3 Change of currency

If a change in the currency of a Relevant Jurisdiction occurs, the Transaction Documents will, to the extent the relevant Financiers (acting reasonably and after consultation with the Borrowers incorporated in that Relevant Jurisdiction) specify to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.

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7.4 Business Days

If an amount would otherwise be due for payment on a day that is not a Business Day, that amount is due on the next Business Day or, if that Business Day is in another calendar month, on the preceding Business Day.

7.5 Payable on demand

An amount payable under a Transaction Document that is not payable on a specified date is payable on demand.

7.6 Payments in gross

Subject to clause 7.7, all money payable by an Obligor under a Transaction Document must be paid unconditionally and in full without:

(a) set-off or counterclaim of any kind; or

(b) deduction or withholding for Tax or any other reason, unless the deduction or withholding is required by applicable law.

7.7 Deductions and withholdings

(a) If an Obligor or any other person is required by law to make a deduction or withholding for Tax from a payment under a Transaction Document or a Financier is required to make a payment for Tax on any payment received or receivable by it from an Obligor under a Transaction Document, the Obligor:

(i) indemnifies the Financier against any Claim in respect of the Tax; and

(ii) must immediately pay an additional amount to the Financier so that, after all applicable deductions, withholdings or payments for Tax, the Financier actually receives for its own benefit a net amount equal to the amount which it would have received if no deductions, withholdings or payments had been required.

(b) If a Financier is required by law to make a deduction or withholding for Tax from a payment to the Financier under a Transaction Document, the Obligor making that payment must pay the full amount of the deduction or withholding to the appropriate Government Agency in accordance with applicable law and deliver the original receipts to the Financier.

7.8 Allocation of receipts

A Financier must allocate payments made by or for the account of a Borrower to the purpose for which the payment was made but after the occurrence of an Event of Default the Financier may allocate such payments towards principal, interest or other money owing under a Transaction Document as it considers appropriate.

8. UNLAWFULNESS OR INCREASED COSTS

8.1 Unlawfulness

(a) If a Financier determines in good faith that it is or will be:

(i) unlawful;

(ii) contrary to any request or requirement of any central bank or any other Government Agency (whether or not having the force of law); or

(iii) in the case of a Documentary Credit, Bank Guarantee or Standby Letter of Credit, incompatible with any national or international financial, political or economic conditions or exchange controls,

for the Financier to make available, fund or maintain a Facility or to otherwise perform its obligations under a Transaction Document, the Financier must as soon as reasonably possible notify its determination to the Relevant Borrowers to which the Facility has been granted.

(b) The Financier's notice must set out:

(i) which Facility, Facilities or parts of a Facility are affected;

(ii) whether or not the underlying event or situation applies to a particular utilisation of a Facility or to all outstanding utilisations under that Facility;

(iii) whether or not the Financier has determined that all or part of the Commitment must be cancelled as a result of the event or situation, and the amount of Commitment to be cancelled, if applicable; and

(iv) whether all or part of the Principal Outstanding or Amount Owing is to be repaid by the Relevant Borrowers, and the amount of Principal Outstanding or Amount Owing to be repaid, if applicable.

(c) On the giving of that notice to the Relevant Borrowers, the Financier's obligation to make available, fund or maintain the Facility or perform the relevant obligation ceases in accordance with the terms of the notice, and, if applicable the Commitment (or part of it) is cancelled in accordance with the terms of that notice.

(d) If all or part of the Principal Outstanding or Amount Owing is repayable in accordance with clause 8.1(b), each Relevant Borrower must pay the amount of Principal Outstanding or Amount Owing, as specified in the notice given under clause 8.1(b) to the Financier in full on the earlier of:

(i) 60 days after receipt of the Financier's notice; or

(ii) the date specified in the notice and certified by the Financier as the last day on which payment is required or permitted in order to comply with the relevant law, request or requirement or prevent or remedy a breach of the relevant law.

(e) Following delivery of a notice under clause 8.1(a), if a Trade Financier is not able to provide a Documentary Credit, Bank Guarantee or Standby Letter of Credit requested by a Trade Borrower, that Trade Financier and the Trade Borrower shall negotiate in good faith with a view to agreeing an alternative basis on which the requested accommodation may be provided by that Trade Financier to the Trade Borrower.

8.2 Increased costs

(a) If a Financier determines that:

(i) the introduction of, implementation of or a change in any law, or any official directive, requirement or request of any central bank or any other Government Agency (whether or not having the force of law but compliance with which is in accordance with the practice of responsible banks or financial institutions in the relevant jurisdiction) including any one of them relating to:

(A) capital adequacy, reserve, liquidity or deposit requirements, the classification or allocation of capital or prudential supervision; or

(B) a Tax on or affecting payments made or to be made under a Transaction Document; or

(ii) any change in the interpretation or application of any law, official directive, requirement or request referred to in paragraph (a)(i) of this clause 8.2(a) by a Government Agency;

directly or indirectly:

(iii) increases the cost to the Financier of underwriting, making, funding or maintaining a Facility or performing an obligation under a Transaction Document;

(iv) reduces the amount of any payment made or payable by or for the account of an Obligor or received or receivable by the Financier under a Transaction Document;

(v) reduces the effective return to the Financier on capital which is or becomes allocated by the Financier to a Facility or the effective return on overall capital of the Financier;

(vi) imposes any requirement that the Financier make any payment or forego any interest or other return on or calculated by reference to:

(A) any sum received or receivable by it under any Transaction Document in an amount which the Financier considers material; or

(B) any capital or other amount directly or indirectly allocated by the Financier to making a Facility available in an amount which the Financier considers material; or

(vii) restricts or prevents the Financier from entering into any other transaction with the result that the Financier incurs any cost or loss of interest or other return specified in paragraphs (iii), (iv), (v) or (vi) of this clause 8.2(a);

each Relevant Borrower must in each such case pay to the Financier on demand the amounts certified by the Financier as necessary to compensate it for that increased cost, reduction, payment or foregone interest or return or other cost or loss of interest or other return (each an "Increased Cost").

(b) A Relevant Borrower may, upon becoming aware of the Increased Cost, revoke any Funding Notice with a view to minimising the amount of any compensation payable pursuant to clause 8.2(a) and 8.2(c), by notifying the Financier to that effect on or before 4:00 pm on the date which is 2 Business Days before the relevant Funding Date or Issuance Date, as applicable.

(c) Where an Increased Cost arises from circumstances which relate not only to the Financier's funding of a Facility, but also to other business, the Financier is entitled to claim as compensation for the Increased Cost the amount it determines is fairly attributable to its funding of the Facility. The Financier may use averaging and attribution methods commonly used by the Financier or any other method it considers appropriate.

(d) In providing a certificate under this clause 8.2, the Financier is not required to disclose any confidential information relating to the organisation of its business.

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(e) It will not be a defence that any Increased Cost could have been avoided.

9. MARKET DISTURBANCE AND REVIEW OF FACILITIES

9.1 Disturbance Notice

A Financier may give a notice in respect of the Cash Advance Facility (a ***Disturbance Notice***) to the Parent at any time (***Disturbance Notice Date***) if the Financier forms the view that market conditions in the relevant financial market for the currency concerned are seriously disturbed, including without limitation as a result of the conditions described in this clause 9 (***Market Disturbance***).

9.2 Market Disturbance Premium

If a Financier gives a Disturbance Notice as a result of circumstances where, in the Financier's opinion:

(a) adequate and fair means are not available for fixing the Base Rate in respect of AUD or any Approved Foreign Currency, or

(b) the cost to the Financier of obtaining deposits in the relevant financial market or other funds to fund an Advance exceeds the Base Rate,

the Financier will, in the Disturbance Notice, notify the Parent of the rate at which the Financier (acting commercially and in good faith) will charge a premium to be added to the Base Rate in respect of Funding Periods for each Advance which commences on or after the Disturbance Notice Date, which rate will be the rate that reflects the Financier's cost of funding the advances from whatever sources it may reasonably select. The rate must be expressed as a percentage rate per annum and be rounded up to the nearest fourth decimal place (***Market Disturbance Premium***).

At the beginning of each calendar quarter that commences after the Disturbance Notice Date, the Financier may amend the Market Disturbance Premium that applies to new Advances advanced on or after the beginning of that calendar quarter or, in the case of existing Advances, to new Funding Periods commencing on or after the beginning of that calendar quarter.

Portions of the Market Disturbance Premium may differ for each Funding Period for an Advance and also according to which currency that advance may be made. Despite this, the relevant Financier need not inform any Obligor which portions of the Market Disturbance Premium relate to particular Advances, particular Funding Periods for an Advance, particular currencies for an Advance or any other factor when notifying the Parent of that Market Disturbance Premium for the Cash Advance Facility. The Financier is not required to give the Parent calculations showing how the Market Disruption Premium has been ascertained, nor is required to provide details of its business or tax affairs.

The Parent agrees to pay the Market Disturbance Premium on all Advances and in respect of each Funding Period for those Advances on the relevant Interest Payment Dates during a Funding Period for that Advance provided that the Market Disturbance Premium that is to apply is advised to the Parent prior to the drawdown for that Advance or the commencement of a new Funding Period.

The relevant Financier will promptly notify the Parent once it determines the circumstances requiring a Market Disturbance Premium have ceased to exist. From the time of such notice, no Market Disturbance Premium for new Advances or new Funding Periods will be payable unless a further Disturbance Notice is delivered to the Parent.

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9.3 Alternative Arrangements

If a Financier gives a Disturbance Notice as a result of circumstances where, in the Financier's opinion:

(a) because of national or international financial, political or economic circumstances or exchange rates or exchange controls it is impractical for it to fund or continue to fund an Advance for the Funding Period; or

(b) deposits in the currency concerned are not available in the ordinary course of business to the Financier in the relevant financial market, and the Disturbance Notice relates to an Advance which has not been made,

then the Financier's obligations to make the Advance shall be suspended while it and the Parent negotiate alternative arrangements. If they reach agreement within 30 days, those alternative arrangements will apply. If they do not reach agreement within that period, the Financier will be released from its obligations to make the Advance.

9.4 Alternative Basis

If the Disturbance Notice given under clause 9.3 relates to an Advance which has been made, the Financier will maintain the Advance, and will within 30 days after giving the Disturbance Notice notify the Parent of an alternative basis (***Alternative Basis***) for maintaining the Advance.

The Parent will comply with the Alternative Basis. The Financier and the Parent will consult monthly while the Alternative Basis is in force, and if the circumstances which justified the establishment of the Alternative Basis cease to apply, the Financier will revoke the Alternative Basis as promptly as practicable.

An Alternative Basis may include, in the Financier's absolute discretion:

(a) alternative currencies;

(b) alternative Funding Periods; or

(c) alternative methods of fixing the interest rate.

9.5 Review of Facilities

(a) Without prejudice to the rights of the Financiers under the Transaction Documents, the Financiers may conduct an annual review of their respective participation under this Agreement, such review to occur on or around 1 November of each year (or such other time as the Financiers notify the Parent in writing).

(b) Following any annual review conducted in accordance with clause 9.5(a) above, the Financiers may (in their sole and absolute discretion) propose changes to the Margin, pricing, fees and/or costs that apply to the Facilities by delivering to the Parent a replacement fee letter or fee letters (as applicable) in substantially the form set out in Annexure G (**New Fee Letter**). Each New Fee Letter shall set out the proposed changes to the Margin, pricing, fees and/or costs that will apply to the Facilities.

(c) The Parent must, by notice in writing to the Financiers within 15 Business Days of the date of issue of the New Fee Letter, either:

(i) accept the New Fee Letter by returning a signed copy of the New Fee Letter to the Financiers, in which case the revised Margin, pricing, fees and/or costs will apply with effect from the date of the New Fee Letter; or

(ii) reject the New Fee Letter.

(d) If the Parent rejects the New Fee Letter in accordance with clause 9.5(c) above:

(i) the Parent must include with its notice referred to in clause 9.5(c) reasonable details of Parent's reasons for rejecting the New Fee Letter; and

(ii) the Parent and the Financiers shall, during a period of 20 Business Days commencing on the date of issue of the New Fee Letter (**Negotiation Period**), enter into negotiations with respect to whether there will be any change to the Margin, pricing, fees and/or costs that applies to the Facilities as at the date of the New Fee Letter.

(e) If the Financiers and the Parent reach agreement on the terms of the New Fee Letter before the end of the Negotiation Period, the Financiers will deliver to the Parent a revised fee letter or fee letters (as applicable) in substantially the same form as set out in Annexure G which set out the revised Margin, pricing, fees and/or costs that will apply to the Facilities. The revised Margin, pricing, fees and/or costs set out in such revised fee letter or fee letters (as applicable) will apply with effect from the date of the relevant revised fee letter or fee letters (as applicable).

(f) If the Financiers and the Parent do not reach agreement on the terms of the New Fee Letter before the end of the Negotiation Period, the Financiers reserve the right to take such action in respect of the Facilities as it is entitled to take under this Agreement.

(g) Nothing in this clause 9.5 limits the rights of the Financiers to cancel a Facility or to require repayment of the Amount Owing if it were otherwise entitled to do so under this Agreement, including without limitation during the negotiations referred to in clause 9.5 (e) above.

10. COMMITMENT FEE, EXPENSES, COSTS AND TAXES

10.1 Expenses

(a) Whether or not a Facility is utilised, the Borrowers must pay to or reimburse each Financier on demand for:

(i) all reasonable costs (including legal costs) and out-of-pocket expenses and Taxes incurred or payable by that Financier for the negotiation, preparation, execution, completion, stamping and registration of, or in respect of, the Transaction Documents;

(ii) all reasonable costs, expenses and Taxes incurred or payable by that Financier for:

(A) any attendance, inspection, calculation, approval, consent, waiver, variation, release or discharge made or given by that Financier under a Transaction Document; and

(B) any amendment of any Transaction Document; and

(iii) all reasonable costs (including legal costs), expenses and Taxes incurred or payable by that Financier for any contemplated or actual enforcement of a Transaction Document, or the preservation of its rights, powers and remedies under a Transaction Document.

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10.2 Costs

The Borrowers must bear the cost of doing or refraining from doing any act, matter or thing which it is required to do or refrain from doing under or in connection with a Transaction Document.

10.3 Taxes

(a) The Borrowers must pay all Tax in relation to the execution, delivery, registration, performance, release, discharge, variation, enforcement or attempted enforcement of or otherwise in respect of the Transaction Documents.

(b) The Borrowers indemnify each Financier against all Claims in respect of any amount payable under clause 10.3(a), except for any Claim which arises solely as a result of that Financier failing to pay a Tax in circumstances where the Borrowers provide that Financier with sufficient Cleared Funds and written instructions directing that Financier to pay the Tax 5 Business Days prior to the date on which that Tax is due for payment.

10.4 GST

(a) The Australian Borrowers must pay to HSBC (Australia) on demand any GST which is payable as a consequence of any supply made or deemed to be made or other matter or thing done under or in connection with a Transaction Document by HSBC (Australia), together with any fine, penalty or interest payable because of a default of the Australian Borrowers.

(b) The amount paid by the Australian Borrowers to HSBC (Australia) on account of GST must be sufficient to ensure that the economic benefit to HSBC (Australia) of the relevant Transaction Document remains the same whether GST applies or not.

(c) HSBC (Australia) will give the Australian Borrowers a tax invoice complying with any legislation under which GST is imposed.

(d) The Australian Borrowers must pay any amount it is required to pay under this clause 10.4 in full and without deduction, notwithstanding any entitlement that it may have to a credit or offset.

10.5 Commitment Fee

The Borrowers must pay HSBC (Australia) (for the account of the Financiers) a non refundable Commitment Fee on the Undrawn Commitment. The Commitment Fee:

(a) accrues from day to day;

(b) is calculated from and including the date of this Agreement to and including the last day of the Availability Period on the actual number of days elapsed and a 365 day year; and

(c) must be paid to HSBC (Australia) (for the account of the Financiers) quarterly in arrears on or before the date specified by HSBC (Australia) in the relevant invoice for that Commitment Fee issued by HSBC (Australia) after the end of the quarter corresponding to that Commitment Fee (being a quarter ending on 31 March, 30 June, 30 September and 31 December, as the case may be).

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11. REPRESENTATIONS AND WARRANTIES

11.1 General Representations and warranties by each Obligor

Each Obligor represents and warrants to each Financier in respect of itself that (except where the representation and warranty is expressed to apply to the Parent only in which case the Parent gives the relevant representation and warranty):

(a) (**status**) it is validly created and existing under relevant laws;

(b) (**power**) it has the power to enter into and perform its obligations under the Transaction Documents to which it is expressed to be a party, to carry out the transactions contemplated by those documents and to carry on its business as now conducted or contemplated;

(c) (**authorisations**) it has taken all necessary action to authorise the entry into and performance of the Transaction Documents to which it is expressed to be a party and to carry out the transactions contemplated by those documents;

(d) (**documents binding**) each Transaction Document to which it is expressed to be a party is a valid and binding obligation enforceable in accordance with its terms;

(e) (**transactions permitted**) neither the execution and performance by it of the Transaction Documents to which it is expressed to be a party nor any transaction contemplated under any such document will violate in any respect any provision of:

(i) any law or treaty or any judgment, ruling, order or decree of any Government Agency binding on it;

(ii) its memorandum or articles of association or other constituent documents; or

(iii) any other document or agreement which is binding upon it or its Assets,

and, except as may be provided by the Transaction Documents, does not and will not result in:

(iv) the creation or imposition of any Security Interest on any of its Assets under any of the foregoing; or

(v) the acceleration or cancellation of any obligation with respect to any Financial Indebtedness, or anything which constitutes (or which, with the giving of notice and/or lapse of time would constitute) an event of default, cancellation event, prepayment event or similar event (whatever called) under any agreement relating to Financial Indebtedness;

(f) (**accounts**):

(i) the most recent audited accounts of the Group give a true and fair view of its and the Group's state of affairs as at the date to which they relate and the results of its and the Group's operations for the accounting period ended on such date;

(ii) there has been no change in its and the Group's state of affairs since such date which may have a Material Adverse Effect;

(iii) those accounts have been prepared in accordance with clause 1.5; and

(iv) there is no material Financial Indebtedness or any other liability or contingent liability which is not disclosed in those accounts;

(g) (**no litigation**) no litigation, arbitration, tax claim, dispute or administrative proceeding is presently current or pending or, to its knowledge, threatened, which might have a Material Adverse Effect;

(h) (**no default**):

(i) it is not in default under any document or agreement binding on it or its Assets which relates to Financial Indebtedness or is material; and

(ii) nothing has occurred which is or would with the giving of notice and/or lapse of time constitute an event of default, cancellation event, prepayment event or similar event (whatever called) under any such document or agreement;

(i) (**Authorisations**):

(i) all Authorisations, if any, required in connection with the execution, delivery or performance by it of its obligations under, or to ensure the validity and enforceability of the Transaction Documents to which it is a party and the transactions contemplated by those documents, and

(ii) all Authorisations required for it to carry on its business, which are material and where failure to obtain or effect any such Authorisation would have a Material Adverse Effect,

have been obtained or effected and are in full force and effect;

(j) **(pari passu**) its payment obligations under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;

(k) (**solvency**) there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable;

(l) (**not a trustee**) it does not enter into any Transaction Document as trustee, or hold any property as trustee;

(m) (**legal and beneficial owner**) it is the legal and beneficial owner of its assets and undertaking;

(n) (**commercial benefit**) the entering into and performance by it of its obligations under the Transaction Documents to which it is expressed to be a party is for its commercial benefit and is in its commercial interests;

(o) (**no benefit to related party**) it has not contravened nor will contravene section 208 or section 209 of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) by entering into any Transaction Document or participating in any transaction in connection with a Transaction Document;

(p) (**no financial assistance**) it has not contravened nor will contravene Part 2J.3 of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) by entering into any Transaction Document or participating in any transaction in connection with a Transaction Document;

(q) (**default under law — Material Adverse Effect**) neither it nor any of its Subsidiaries is in breach of a law or obligation affecting any of them or their assets in a way which has had, or is likely to have, a Material Adverse Effect;

(r) (**taxation**) to the best of its knowledge, information and belief, having made due enquiries, it has complied with all material laws relating to Tax in all jurisdictions in which it is subject to Tax and has paid all Taxes due and payable by it (other than those Taxes which it is contesting in good faith and in respect of which it has made adequate reserves as long as failure to pay those Taxes would not have, and is not reasonably likely to have, a Material Adverse Effect);

(s) (**no immunity**) neither it nor any of its Subsidiaries has immunity from the jurisdiction of a court or from legal process;

(t) (**governing law and enforcement**) subject to any qualification in any legal opinion provided to the Financiers pursuant to this Agreement:

(i) the choice of law referred to in clause 26.1 as the governing law of the Transaction Documents will be recognised and enforced in its jurisdiction of incorporation or organisation and in the jurisdiction referred to in that clause (if different); and

(ii) any judgment obtained against it in any jurisdiction referred to in clause 26.2 in relation to a Transaction Document will be recognised and enforced in its jurisdiction of incorporation or organisation;

(u) (**No filing or stamp taxes**) under the law of any relevant jurisdiction it is not necessary that the Transaction Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp duty, registration or other similar Tax be paid on or in relation to the Transaction Documents or the transactions contemplated by the Transaction Documents;

(v) (**"most favoured nation" — facilities**) in the reasonable opinion of the Parent and unless as disclosed under clause 12.1(t), the terms of each Transaction Document, whether alone or in combination with another Transaction Document, except those terms related to pricing (including, without limitation, fees and margins), facility limits and repayment dates, are no less favourable in any material respect than the terms in any Other Bank Document;

(w) (**"most favoured nation" — hedging**) in the reasonable opinion of the Parent and unless as disclosed under clause 12.1(u), the terms and conditions of any ISDA Master Agreement between an Obligor and a Financier, except those terms related to pricing and individual transactions, will be no less favourable in any material respect than the terms and conditions of the Other Hedging Arrangements;

(x) (**ERISA**.) in the case of each Obligor incorporated or organised in the United States of America, it and its Subsidiaries have operated and administered each employee benefit plan (as defined in Section 3 of ERISA) in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. It and its Subsidiaries have not incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the U.S. Internal Revenue Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by it or its Subsidiaries, or in the imposition of any lien on any of it or any of its Subsidiary's rights, properties or assets, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the U.S. Internal Revenue Code,

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other than such liabilities or liens as would not individually or in the aggregate reasonably be expected to result in respect of it or any of its Subsidiaries in a Material Adverse Effect (as if, for the purpose of this clause (x) only, each reference to "the Group" in the definition of "Material Adverse Effect" in this agreement were a reference to such Obligor or any of its Subsidiaries);

(y) (**Federal Reserve Regulations**). it is not engaged principally, nor as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of the loan will be used, whether immediately, incidentally or ultimately, for purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System;

(z) (**Not an Investment Company**) it is not, nor during the term of the loan will it be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(aa) (**no misrepresentation**) all information provided by it or on its behalf to the Financiers in or in connection with the Transaction Documents is or was true in all material respects as at the date and time it was provided and is not, by the omission of information or otherwise, misleading;

(bb) (**disclosure**) all information provided to the Financiers by or on its behalf in relation to it, its assets, business or affairs or the Transaction Documents was correct and not misleading (by omission or otherwise) as at the time it was provided;

(cc) (**full disclosure**): it has disclosed in writing to the Financier all facts relating to it and its Subsidiaries, the Transactions Documents of that Financier and all things in connection with them, which are material to the assessment of the nature and amount of the risk undertaken by the Financier in entering into the Transaction Documents of that Financier and doing anything in connection with them;

(dd) (**title**) none of its Assets is subject to any Security Interest which is not permitted by clause 12.2 or to any agreement to give such a Security Interest; and

(ee) (**Environmental Law**):

(i) it is aware of and complies in all material and respects with the requirements of all Environmental Laws and standards applicable to its property and the conduct of its business;

(ii) it and its officers exercise reasonable due diligence and take all reasonably necessary precautions to detect and prevent the commission of an offence under any Environmental Law resulting in pollution of or harm to the environment or to any person or property, including its property;

(iii) at the date hereof such due diligence has not revealed any material contamination of or emanating from any of its property;

(iv) so far as it is aware after due enquiry, its occupation and use of its property and the conduct of its business does not breach any Environmental Law or standard in any material respect;

(v) there has been no notice or complaint from any environmental authority pursuant to any Environmental Law that has not been answered to the satisfaction of the complainant, alleging that its activities on, in or in

relation to its property are polluting the environment in any material respect or that the carrying on of its business causes any significant public or private nuisance;

(vi) so far as it is aware after due enquiry, there is no proposal to revoke, suspend, modify or not renew any Authorisation or approval under any Environmental Law relating to any of its property or the conduct of its business; and

(vii) no proceedings or suits have been commenced, no Court orders have been issued and no material penalty has been imposed, in each case in relation to any offence by it or its officers under any Environmental Law.

11.2 Continuing representations and warranties

The representations and warranties in this Agreement, including those in this clause 11, survive the execution of each Transaction Document and are repeated on the first date that a Facility is utilised and on each subsequent Funding Date and Issuance Date while any of the Amount Owing remains outstanding.

11.3 Acknowledgment of reliance

The Obligor acknowledges that each Financier has entered into each Transaction Document in reliance on the representations and warranties in this Agreement.

11.4 Additional representations and warranties

The representations and warranties in this Agreement are in addition to any other representations and warranties in any other Transaction Document.

12. UNDERTAKINGS

12.1 Undertakings

Unless all Financiers otherwise agree in writing, each Obligor undertakes as follows (except where the undertaking is expressed to apply to the Parent only in which case the Parent gives the relevant undertaking):

(a) (**corporate reporting and information**) it will furnish to the Financiers:

(i) (**annual accounts**) as soon as practicable (and in any event not later than 90 days) after the close of each of its financial years, copies of the Latest Audited Consolidated Statement of Financial Position and its audited statement of financial performance and statement of cash flows and, upon request by the Financier, its unconsolidated audited statement of financial position and statement of financial performance and statement of cash flows;

(ii) (**semi-annual accounts**) as soon as practicable (and in any event not later than 90 days) after the first half of each of its financial years, copies of the Group's consolidated unaudited statement of financial position and statement of financial performance and statement of cash flows in respect of such half-year;

(iii) (**compliance certificates**): together with the documents provided under clauses 12.1(a)(i) and (ii), a statement (**Compliance Certificate**) signed by the Parent confirming that:

(A) each financial covenant in clause 12.3 has been complied with during the relevant period;

(B) since the date of the last compliance certificate no event that constitutes an Event of Default, Potential Event of Default or Review Event has occurred or is subsisting other than as set out in the certificate; and

(C) the representations and warranties in this Agreement are true and correct as though they have been made at the date of the certificate in respect of the facts and circumstances then subsisting other than as set out in the certificate;

(iv) (**Directors' certificate**) at the Financier's request, a certificate signed by at least two directors of the Parent stating:

(A) if an Event of Default or Potential Event of Default has occurred; and

(B) if so, full details of the relevant Event of Default or Potential Event of Default and the remedial action being taken or proposed;

(v) (**management accounts**) as soon as practicable (and in any event not later than 60 days) after the end of each half year management accounts relating to the Group specifying:

(A) half yearly, year-to-date and budget figures in respect of the financial performance account and cash flow;

(B) a statement of financial position as at the end of the relevant half year;

(C) detailed calculations demonstrating compliance with the covenants in clause 12.3;

(vi) (**Auditor's certificate**) as soon as practicable (and in any event not later than 90 days) after the close of each of its financial years a statement signed by the Auditor confirming that in his opinion the negative pledge and asset disposal restrictions in clause 12.2 and financial covenants in clause 12.3 have been complied with during the relevant financial year;

(vii) (**documents issued to shareholders**) promptly, all documents issued by each Obligor as required by applicable law to its shareholders or unitholders, as the case may be, except notices of annual general meetings unless there is any business to be conducted at an annual general meeting other than approval of the accounts;

(viii) (**prospectuses**) a copy of any prospectus or other document intended for public release, released by an Obligor, relating to the issue of any security to the public, promptly following its release; and

(ix) (**other information**) upon request, such other information, including, without limitation, copies of any valuations obtained, in relation to its and the Group's financial condition or business (including, without limitation, such information as will enable the Financiers at any time to determine compliance with clauses 12.2 and 12.3) as the Financiers may reasonably request;

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(b) (**accounting principles**) it will ensure that each set of accounts furnished to the Financiers under clauses 12.1(a)(i) and (a)(ii) shall:

(i) be prepared in accordance with clause 1.5; and

(ii) give a true and fair view of the state of affairs of the relevant entity and the result of its operations, as at the date, and for the period ending on the date, to which such accounts are prepared;

(c) (**Authorisations**) it will use its best endeavours to ensure that:

(i) all Authorisations required for the validity, enforceability and performance of its obligations under the Transaction Documents; and

(ii) all Authorisations which are material to the carrying on of the business of the Group (taken as a whole) where failure to do so has or is likely to have a Material Adverse Effect,

are obtained and promptly renewed and maintained in full force and effect and it will promptly provide copies to the Financiers when they are obtained or renewed;

(d) (**notice to Financiers**) it will give notice to the Financiers as soon as it becomes aware of the same of:

(i) any Event of Default or Potential Event of Default;

(ii) all litigation, arbitration or similar proceedings to which any Borrower is a party involving a claim in excess of AUD10,000,000 (or, where the claim is denominated in a currency other than AUD, the equivalent in that currency of AUD10,000,000, calculated at the Financiers' Spot Rate two Business Days beforehand);

(iii) any proposal by any Government Agency to acquire compulsorily the whole or a substantial part of the Assets or business of an Obligor;

(iv) any substantial dispute between any Obligor and any Government Agency;

(v) the appointment of an inspector under any companies legislation to investigate all or any part of the affairs of any Obligor in relation to a possible contravention by it of that legislation;

(vi) the acquisition by it of a Subsidiary;

(vii) where such event has had or is reasonably likely to have a Material Adverse Effect:

(A) any breach of any Environmental Law; or

(B) the issuing of any proceedings or notice or requirements against or upon it or its assets in respect of, or which is likely to result in, any environmental liability or breach of any Environmental Law; and

(viii) any change in its Authorised Officers, giving specimen signatures of any new Authorised Officer so appointed and any major change in management or other personnel which may have a significant impact on the conduct of the business of any Obligor;

(e) (**corporate existence**) it will, and will ensure that each Group Company will, do all things necessary to maintain its existence in good standing and will not transfer its

jurisdiction of creation or enter into any merger or consolidation and/or default in a material respect in complying with the provisions of the *Corporations Act* or any analogous law in any Relevant Jurisdiction;

(f) (**revaluation**) it will, on those occasions when the Financiers consider that the circumstances render it reasonable to do so (and the Financiers having their reasons for so considering), obtain a revaluation of any Tangible Asset by a valuer approved by the Financiers, at its expense;

(g) (**insurance**) it must, and must ensure that each Group Company will:

(i) maintain industrial special risks insurance, public liability insurance, professional indemnity liability insurance and directors and officers liability insurance with an independent and reputable insurer and consistent with the insurances maintained by it as at the date of this Agreement;

(ii) otherwise insure, and keep insured, its property which is of an insurable nature in the manner and to the extent which is in accordance with good business practice for property of such nature; and

(iii) promptly following a request by the Financier, provide the Financier with any certificates of currency or other evidence of currency in respect of all insurances required to be maintained by it under this Agreement;

(h) (**accounts**) it shall maintain proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs in accordance with generally accepted accounting practices consistently applied;

(i) (**reserves**) it shall maintain adequate reserves in its books of account for all appropriate expenses, costs and contingencies in accordance with generally accepted accounting practices consistently applied including (without limitation) reserves for all taxes, assessments, charges, levies, claims, doubtful debts, premiums due on required prepayment, depreciation, obsolescence and amortisation;

(j) (**inspection**) it shall permit the Financiers to inspect any of its Assets and to examine the minute books, books of account and other records reasonably requested by the Financiers and to make copies or take extracts and discuss its affairs, finances and accounts with its officers and the Auditor during normal business hours and at such other reasonable times and as often as the Financiers may reasonably request;

(k) (**maintenance of property**) unless its Assets comprise less than 2% of the Total Tangible Assets or its profits from ordinary activities account for less than 2% of EBITDA, it shall maintain, keep and preserve all of its Assets in good repair, working order and condition allowing for fair wear and tear except where the failure to do so would not have a material adverse effect on:

(i) the financial condition of the Obligor;

(ii) its ability to perform any of its obligations under a Transaction Document; or

(iii) any encumbrance provided to a Financier by that Obligor.

(l) (**change in ownership or control**) it shall notify the Financiers in writing as soon as practicable and in any event within 30 days of it becoming aware of any Change of Control or an intention to effect a Change of Control of the Parent;

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(m) (**new Related Party**) it shall notify the Financier in writing as soon as practicable and in any event within 30 days of it becoming aware of an entity becoming a Related Party of an Obligor or it becoming aware of an intention to cause an entity to become a Related Party of an Obligor. Such notice shall state whether, at that time, financial accommodation has been provided by the Financiers or any Affiliate Financiers to that entity;

(n) (**business activities**) it shall ensure that the Group maintain secondary metal recycling, collection and processing and related activities as core business activities of the Group;

(o) (**risk management**) it shall only engage in foreign exchange, swap, futures contracts, forward contracts or similar transactions where such transactions are linked to the risk management (as determined by the risk management policy guidelines set down by the board of directors of the Parent from time to time and provided to the Financiers) of that Obligor's Financial Indebtedness or underlying foreign currency exposure;

(p) (**Board of Directors**) to the extent it is able, it must do all things necessary to ensure that the board of directors of the Parent and of it is comprised of persons more than half of whom:

(i) are not appointed by, or appointed to represent the interests of, any substantial shareholder (as that term is understood in the *Corporations Act*) in the Parent; and

(ii) are not Associates of any substantial shareholder (as that term is defined in the *Corporations Act*) of the Parent (other than by being a director of an Obligor); and

(iii) are not employed by the Parent or any of its Subsidiaries;

(q) (**Deed of Warranty**) ensure that Sims Group Australia Holdings Limited (ABN 37 008 634 526) does not assign, encumber or amend or consent or acquiesce to the assignment, encumbering or amendment of the Deed of Warranty or interests thereunder;

(r) (**constituent documents**) it will not amend its constituent documents where such amendment has or would be likely to have a Material Adverse Effect;

(s) (**arms length dealings**) it will not deal with any other party except at arms length for full commercial consideration in the ordinary course of business;

(t) (**"most favoured nation" — facilities**) in the event that, in the reasonable opinion of the Parent, the terms of a Transaction Document, whether alone or in combination with another Transaction Document, except those terms related to pricing (including, without limitation, fees and margins), facility limits and repayment dates become less favourable in any material respect than the terms in any Other Bank Documents (including, without limitation, granting any Security Interest to any other party other than a Security Interest which it is permitted by the terms of the Transaction Documents to grant to another party, but excluding terms related to pricing, facility limits and repayment dates), it will promptly notify the Financiers of, and upon request, amend the Transaction Documents to provide for, the same or substantially similar terms and conditions to apply to the Financiers;

(u) (**"most favoured nation" — hedging**) in the event that, in the reasonable opinion of the Parent, the terms of any ISDA Master Agreement between an Obligor and a Financier (including, without limitation, granting any Security Interest to any other party other than a Security Interest which it is permitted by the terms of the ISDA

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Master Agreement to grant to another party, but excluding terms related to pricing, facility limits and repayment dates) become less favourable in any material respect than the terms of an Other Hedging Arrangement, it will promptly notify the Financier of, and upon request, amend the ISDA Master Agreement (as applicable) to provide for, the same or substantially similar terms and conditions to apply to the Financier;

(v) (**conduct of business**) it will conduct its business (including collecting debts owed to it) in a proper, orderly and efficient manner;

(w) (**corporate reconstruction**) the Group will not enter into any amalgamation, demerger or corporate reconstruction where such event has or would be likely to have a Material Adverse Effect except a solvent amalgamation or reconstruction on terms agreed by the Financiers;

(x) (**not reduce capital**) it will ensure that no Group Company takes any action to reduce its capital, cancel its uncalled capital or buy back its shares (**Capital Reduction**) if the Capital Reduction would, in aggregate with any other Capital Reductions by that Group Company in the preceding year, result in a reduction of the issued ordinary capital of that Group Company of greater than or equal to 10% for that year (however any Capital Reduction may not in any event be made if it causes a breach of the financial covenants in clause 12.3);

(y) (**comply with all laws and regulations**) it will comply in all respects with any applicable laws and regulations to which it or its assets are subject where failure to comply would have, or is reasonably likely to have, a Material Adverse Effect;

(z) (**ensure no Event of Default**) the Parent will do everything necessary to ensure that no Event of Default occurs and ensure that each of its Subsidiaries does the same;

(aa) (Taxes) it will pay:

(i) all Taxes due and payable by it other than those Taxes which it is contesting in good faith and in respect of which it has made adequate reserves of liquid assets to satisfy the liability if the contest is unsuccessful as long as failure to pay those Taxes does not have, and is not likely to have, a Material Adverse Effect; and

(ii) all contested Taxes which remain due and payable by it after final determination or settlement of the contest;

(bb) (**Environmental Laws**):

(i) it will comply with all reasonable requirements of the Financiers concerning the application of all material Environmental Laws and standards to or in relation to its property or any part thereof;

(ii) it will at its cost and at such interval or intervals nominated at any time and from time to time by the Financiers, or when otherwise required to do so by the Financiers, provide the Financiers with copies (certified by its company secretary as being true copies) of:

(A) all environmental assessment and/or audit documents prepared by it or any other person; and

(B) any similar documents it receives from any other independent party including, without limitation, any Government Agency,

in respect of its property or any part of its property; and

(iii) it will inform the Financiers promptly of:

(A) the existence of any material contamination of or emanating from the property of the Obligor contrary to any Environmental Law or standard;

(B) the receipt of any material penalty notices or material directions to "clean up" any property of the Obligor issued under any Environmental Law;

(C) the receipt of any notice or complaint referred to in clause 11.1(ee)(v);

(D) any revocation, suspension, modification or refusal or failure to renew referred to in clause 11.1(ee)(vi); and

(E) the commencement of any proceeding or suit, the issue of any order or the imposition of any penalty referred to in clause 11.1(ee)(vii); and

(cc) (**Deed of Cross Guarantee**):

(i) an Obligor:

(A) must not consent to the amendment, termination, revocation, suspension, repudiation of, or waive its rights arising under, any Deed of Cross Guarantee to which it is a party without the Financiers' consent (which consent may be withheld in the Financiers' absolute discretion or, where granted, may be subject to such terms as the Financiers, in their absolute discretion, require); and

(B) must notify the Financiers immediately upon it becoming aware of any proposal or request or requirement that it provide a consent or waiver in respect of any Deed of Cross Guarantee to which it is a party.

12.2 Negative pledge and restriction on disposal of Assets

Unless the Financiers otherwise agree in writing, each Obligor undertakes that it will not, and will ensure that each other Obligor and Simsmetal Industries Limited (3597) does not:

(a) create, assume, permit or suffer to exist any Security Interest over all or any of its Assets, except for:

(i) a Permitted Security Interest;

(ii) any Collateral Security; and

(iii) any Security Interest in respect of Secured Indebtedness not exceeding 5% of Total Tangible Assets;

(b) without the consent of the Financier, transfer, sell, assign, surrender, convey, lease, lend (other than to members of the Group), licence, discount or otherwise dispose of, or (subject to clause 12.2(a)) create any interest in, all or any part of its Assets (defined as a "**Disposal**"), either in a single transaction or in a series of transactions (whether related or not) if as a result of the Disposal, Total Tangible Assets would be reduced by 10% or more except:

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(i) where the Disposal is in the ordinary course of day to day trading; and

(ii) the Disposal is of obsolete Assets no longer required for its business;

(c) notwithstanding anything in clause 12.2(b) above, transfer, sell, assign, surrender, convey, lease, lend, licence, discount or otherwise dispose of any Asset to Simsmetal Industries Limited, or make any financial accommodation available to Simsmetal Industries Limited (whether by loan, the raising of money, gift or otherwise) in excess of NZD10,000,000;

(d) provide financial accommodation to persons other than Obligors (except for deposits held with financial institutions in the ordinary course of business and supplier advances for which security adequate to cover the amount of the supplier advance is taken) which when added to all such other outstanding financial accommodation provided by all other Group Companies would be in excess of AUD35,000,000;

(e) in the case of each Obligor, permit financial accommodation to remain owing to it by a Group Company (other than another Obligor);

(f) satisfy any financial accommodation an Obligor now or in the future owes to a Group Company other than an Obligor except any financial accommodation which, in aggregate with all other financial accommodation owed by an Obligor to a Group Company which is not an Obligor that is satisfied in the 12 month period prior to the date on which the financial accommodation is to be satisfied, does not exceed AUD10,000,000; or

(g) deposit money with a person in circumstances where the money is not repayable unless the Obligor performs obligations (including to pay money) to that person, except deposits which in aggregate do not exceed AUD35,000,000 at any time.

Paragraphs (a) to (c) (inclusive) do not apply to any disposal of Assets if the disposal cannot be prohibited pursuant to Section 1136 of the German Civil Code (*Bürgerliches Gesetzbuch*).

12.3 Financial covenants

(a) Unless all Financiers otherwise agree in writing, each Obligor undertakes that it will not, and will ensure that each Group Company does not, allow, permit or suffer Secured Indebtedness to exceed 5% of Total Tangible Assets.

(b) Each Obligor must ensure that on each Calculation Date:

(i) the ratio of Financial Indebtedness to EBITDA for the Calculation Period ending on that Calculation Date is not greater than 3.0:1;

(ii) the ratio of EBITDA to Net Interest Expense for the Calculation Period ending on that Calculation Date is not less than 3.5:1; and

(iii) Tangible Net Worth is at least 85% of the Tangible Net Worth calculated for the last Calculation Date of the preceding financial year.

(c) Each Obligor must ensure that:

(i) the Guarantors (excluding any German Guarantors) will:

(A) at all times own, in aggregate, at least 80% of the Total Tangible Assets of the Group; and

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(B) generate at least 80% of the EBITDA for each Calculation Period ending on a Calculation Date of the Group,

or where a Subsidiary has been newly acquired or created or where assets or a business have been newly acquired, the Guarantors (excluding any German Guarantors) will own at least 80% of Total Tangible Assets and generate at least 80% of EBITDA within 3 months of such acquisition or creation; and

(ii) where a Subsidiary owns at least 5% of Total Tangible Assets at any time or generates at least 5% of EBITDA for a Calculation Period ending on a Calculation Date, the Subsidiary must become a New Guarantor in accordance with clause 24.1 within 3 months of the earlier of becoming the owner of 5% of Total Tangible Assets or the relevant Calculation Date, unless the Financier is provided with a written legal advice (in a form satisfactory to the Financier, acting reasonably) from a law firm in the jurisdiction in which the Subsidiary was incorporated to the effect that the accession of the Subsidiary to this deed as a member of the Guarantors on the terms of this Agreement would be contrary to the law under which the Subsidiary was incorporated or carries on a substantial portion of its business.

13. EVENTS OF DEFAULT

13.1 Events of Default

An Event of Default occurs if:

(a) (**non-payment**) any Obligor fails to pay in the manner required any amount due and payable by it under any Transaction Document on the due date or within an applicable grace period under any Transaction Document;

(b) (**other obligation**):

(i) any Obligor fails to observe or perform any of its other obligations under this Agreement or any other Transaction Document; and

(ii) if such failure is capable of remedy, it is not remedied to the satisfaction of the Financiers by the date 14 days after such failure;

(c) (**misrepresentation**) any representation, warranty or statement made or deemed to be made by any Obligor in any Transaction Document or any document delivered under any Transaction Document proves to have been untrue in any material respect when made or deemed made;

(d) (**cross default**):

(i) Financial Indebtedness of:

(A) a Group Company for an amount totalling at least AUD5,000,000 or its equivalent; or

(B) the Group Companies for amounts totalling (in aggregate for all such Group Companies) at least AUD25,000,000 or its equivalent,

is not paid when due (or within an applicable grace period) or becomes due and payable before its stated maturity, except as a result of an exercise of a prepayment right in the absence of default; or

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(ii) an obligation upon any person to provide finance to:

(A) a Group Company totalling at least AUD5,000,000 or

(B) the Group Companies for amounts totalling (in aggregate for all such Group Companies) at least AUD25,000,000 or its equivalent,

is terminated except as a result of voluntary termination in the absence of default; or

(iii) any stock or share issued by an Obligor is required to be redeemed or repurchased in advance of its stated maturity (other than at the option of the issuer or as agreed between the holder and the relevant issuer, in the absence of continuing default);

(e) (**environmental**) there is any claim or requirement of expenditure or alteration of activity or cessation of activity under any Environmental Law or law relating to health or there is any breach of any Authorisation, in each case which in the opinion of the Financiers is likely to have a Material Adverse Effect or any circumstance arises which may give rise to such an action, claim, requirement or breach;

(f) (**governmental interference**) a law or anything done by a Government Agency is likely to in the opinion of the Financiers have a Material Adverse Effect;

(g) (**seizure**) all or any material part of the assets of the Group are seized or otherwise appropriated by, or custody thereof is assumed by any Government Agency, or the Group is otherwise prevented from exercising normal day-to-day control over all or a material part of its assets or loses any of the rights or privileges necessary to maintain its existence or to carry on its business and the Parent does not demonstrate to the reasonable satisfaction of the Financiers within 15 Business Days of such seizure, appropriation, assumption of custody or execution that no Material Adverse Effect has resulted, or is reasonably likely to result, therefrom;

(h) (**deregistration**) a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel the registration of any Obligor;

(i) (**ASX delisting/suspension**) except with the written consent of the Financiers, any securities of the Parent are:

(i) not listed on at least one of:

(A) the official list of the Australian Securities Exchange operated by ASX Limited; or

(B) the official list of the New York Stock Exchange; or

(ii) suspended from quotation or trading on any official list referred to in paragraph (i) above for 5 consecutive trading days (except where such suspension is requested by the Parent for the purpose of an acquisition or a fundraising and such securities remain suspended on that basis only and not on any other basis); or

(iii) removed from the official list of any of:

(A) the Australian Securities Exchange operated by ASX Limited;

(B) the New York Stock Exchange; or

(C) another stock exchange,

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because the operator of the relevant stock exchange decides that the Parent or its securities no longer meet the requirements for continued listing (except where the Parent has requested such removal and that is the sole basis for the removal);

(j) (**insolvency**) a Group Company is Insolvent;

(k) (**Security Interests**) any Security Interest over any of the Assets of any Obligor is enforced for an amount exceeding AUD10,000,000 (or, where the amount for which enforcement is sought is denominated in a currency other than AUD, the equivalent in that currency of AUD10,000,000, calculated at the Spot Rate);

(l) (**suspends payment**) a Group Company suspends payment of its debts generally;

(m) (**execution**) a distress, attachment or execution or other process of a government agency is issued against, levied or entered upon:

(i) an Asset of a Group Company with a value or in an amount of at least AUD10,000,000 or its equivalent; or

(ii) an Asset or Assets of Group Companies totalling (in aggregate for all such Group Companies) at least AUD25,000,000 or its equivalent.

(n) (**cessation of business**) any Obligor ceases or threatens to cease to carry on its business or disposes or threatens to dispose of the whole or a substantial part of its:

(i) business; or

(ii) Assets,

whether by a single transaction or a series of transactions and whether related or not (except as permitted under 12.2(b) or for the purpose of reorganisation, merger or consolidation the terms of which have been approved by the Financiers) or stops payment generally and which event may have a Material Adverse Effect;

(o) (**reduction of capital**) without the prior written consent of the Financiers (such consent not to be unreasonably withheld) any Group Company undertakes any Capital Reduction if the Capital Reduction would, in aggregate with any other Capital Reductions by that Group Company in the preceding year, result in a reduction of the issued ordinary capital of that Group Company of greater than or equal to 10% for that year (however any Capital Reduction may not in any event be made if it causes a breach of the financial covenants in clause 12.3);

(p) (**inspector**) an inspector is appointed under any companies or trade practices legislation to investigate all or any part of the affairs of any Obligor and that relevant Obligor does not demonstrate to the reasonable satisfaction of the Financier within 15 Business Days of such appointment that no Material Adverse Effect has resulted from, or is reasonably likely to result from or be revealed by, the investigation or as a consequence thereof;

(q) (**analogous process**) anything analogous or having substantially similar effect to anything referred to in paragraphs (k) to (p) inclusive shall occur with respect to any Obligor;

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(r) (**vitiation of Transaction Documents**):

(i) all or any part of clauses 12.2 or 12.3 of this Agreement or of any other material provision of any Transaction Document is terminated or is or becomes void, illegal, unenforceable or of limited force and effect; or

(ii) a Group Company becomes entitled to terminate any material provision of any Transaction Document (other than following the occurrence of a termination event or an event of default under a Hedging Facility with the Financier in respect of which the Financier is an "Affected Party" or the "Defaulting Party" (as applicable) as defined in that Hedging Facility);

(s) (**unenforceability**)

(i) all or a material part of a Transaction Document of that Financier is illegal, void, voidable or unenforceable;

(ii) A Group Company becomes entitled to terminate any material provision of any Transaction Document of that Financier (other than following the occurrence of a termination event or an event of default under a Hedging Facility with the Financier in respect of which the Financier is an "Affected Party" or the "Defaulting Party" (as applicable) as defined in that Treasury Document; or

(iii) the execution, delivery or performance of a Transaction Document of that Financier by an Obligor or the exercise by the Financier of all or any of its rights under a Transaction Document breaches or results in a contravention of any law;

(t) (**revocation of Authorisation**) any Authorisation of a Government Agency which is essential to the performance by any Obligor of its obligations under any Transaction Document or for the validity and enforceability of any Transaction Document is repealed, revoked or terminated or expires or is modified or amended in a manner unacceptable to the Financiers and is not replaced by another sufficient Authorisation;

(u) (**Change of Control**) there has been a Change of Control of the Parent, and the Financiers at any time following a review of the terms of the Transaction Documents, which is conducted within 90 days after the date of notification to the Financiers of the Change of Control coming into effect, by notice in writing to the Parent declares the Change of Control to be unacceptable;

(v) (**material adverse change**) any other event or series of events, whether related or not, occurs (including, without limitation, any material adverse change in the business, Assets or financial condition of the Parent) which in the reasonable opinion of the Financiers may have a Material Adverse Effect;

(w) (**event of default**) an event of default, termination event (other than a termination event under a Hedging Facility with the Financier in respect of which the Financier is an "Affected Party" (as defined in that Hedging Facility)) or other similar event occurs with respect to a Group Company under any agreement relating to Financial Indebtedness between a Group Company and the Financier including the occurrence of an event which is an "event of default" with respect to a Group Company under any Transaction Document of that Financier other than this Agreement, or any other event occurs which renders enforceable a Transaction Document which comprises or includes a Guarantee; or

(x) (**Disposal without consent**) a disposal of Assets under clause 12.2(a) to (c) (inclusive) which cannot be prohibited pursuant to Section 1136 of the German

Civil Code (*Bürgerliches Gesetzbuch*) occurs, and such disposal has not been approved by the Financiers in writing.

13.2 Consequences of default

(a) If an Event of Default occurs, HSBC (Australia) (on behalf of the Financiers) may by notice to the Parent (on behalf of all the Obligors):

(i) declare the Amount Owing by the Obligor to each Financier to be either:

(A) payable on demand; or

(B) immediately due and payable without further demand, notice or other legal formality of any kind; or

(ii) declare the Facilities terminated and the Commitment of each Financier cancelled;

(iii) require the Obligor to pay to the relevant Financier an amount equal to the aggregate of the total Face Value Amount of all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits denominated in AUD and the Dollar Equivalent of the total Face Value Amount of all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits denominated in an Approved Currency,

or make any of those declarations.

(b) A notice given under clause 13.2(a) is effective on receipt.

(c) If HSBC (Australia) (on behalf of the Financiers) gives a notice under clause 13.2(a)(i)(B) or under clause 13.2(a)(iii), the Obligor must immediately pay to each relevant Financier the Amount Owing by the Obligor to that Financier in full.

13.3 Cash Cover

(a) Each Financier must hold by way of cash cover any money paid to it under clause 5.2(b) and clause 13.2(a)(iii) in respect of the contingent liability under any Current Bank Guarantee, Current Standby Letter of Credit and Current Documentary Credit.

(b) After applying the money held by it by way of cash cover under clause 13.3(a) in or towards satisfaction of the contingent liabilities referred to in that clause, a Financier may set-off against any remaining balance any amount due and owing to it under or in connection with this Agreement.

(c) A Financier may give notice to the Parent requiring it to pay additional money by way of cash cover to that Financier so that, in its good faith opinion, the total amount paid is equal to that Financier's total maximum liability under all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits. Any further payments must be on the same terms as the original payment.

(d) Each Financier will pay interest to the Parent on the balance of any amount paid to it by the Parent under clause 13.2(a)(iii) or clause 13.3(c) after applying money held by way of cash cover toward satisfaction of contingent liabilities under clause 13.3(a) at the rate payable by that Financier from time to time to its customers on similar amounts until the date determined in accordance with clause 13.3(e).

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(e) The remaining balance (including interest) of the amounts paid by the Parent under clause 13.2(a)(iii) and clause 13.3(c) will be repaid to the Parent on:

(i) the expiry or cancellation of all Current Bank Guarantees, Current Standby Letters of Credit and Current Documentary Credits; and

(ii) the payment in full of all money which the Obligors are liable or may become actually or contingently liability to pay to the Financiers under or in connection with this Agreement.

13.4 Technical Event of Default

Any notice given by HSBC (Australia) (on behalf of the Financiers) pursuant to clause 13.2(a) shall be of no effect if:

(a) it is given because of the occurrence of an Event of Default specified in clauses 13.1(b), 13.1(c), 13.1(d), 13.1(n), 13.1(o) or 13.1(r); and

(b) within two Business Days of the notice the Obligor is able to show to the Financiers' absolute satisfaction and in the Financiers' absolute discretion that:

(i) in the case where the notice relates to any of the Events of Default specified in clauses 13.1(b), 13.1(c), 13.1(d) or 13.1(r), the relevant Event of Default has been cured; or

(ii) in the case where the notice relates to any of the Events of Default specified in clauses 13.1(n) or 13.1(o), the continuation of the relevant Event of Default does not have a Material Adverse Effect.

13.5 Money received after Event of Default

This Agreement may be enforced:

(a) despite the acceptance of any part of the money payable under this Agreement after any Event of Default; and

(b) despite any previous or other Event of Default.

14. REVIEW EVENT

14.1 Listing

It is a Review Event with respect to a Facility and a Financier if any securities of the Parent are added to the official list of any stock exchange (other than the official list of the Australian Securities Exchange operated by ASX Limited and the official list of the New York Stock Exchange) then the relevant Financier may for a period of not less than 60 days of notification after the date the Financier is notified of that event (***Listing Review Period***) review the terms of any financial accommodation provided under any Transaction Document. Following the Listing Review Period, the Financier may require repayment on demand of all or part of the financial accommodation provided to any Obligor and terminate all its facilities, if the Financier, acting reasonably, believes that the Parent's presence on the official list of such a stock exchange, will have, or is reasonably likely to have, a Material Adverse Effect.

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15. INTEREST ON OVERDUE AMOUNTS

15.1 Default interest

(a) In respect of any amount due and payable by an Obligor to a Financier under a Transaction Document but unpaid (including interest payable under this clause 15.1), that Obligor must pay interest on that amount to the Financier on demand.

(b) Interest under clause 15.1(a):

(i) accrues on each unpaid amount from and including the due date for payment to the date of actual payment at the Overdue Rate calculated with reference to successive periods of a length selected by the Financier or, if no selection is made, of quarterly intervals, starting on the due date for payment;

(ii) accrues from day to day;

(iii) is calculated on the basis of the actual number of days elapsed (including the first day but excluding the last) and, if the unpaid amount is in USD, a 360 day year or, if the unpaid amount is in any other Approved Currency, a 365 day year; and

(iv) may be compounded by the relevant Financier at intervals selected by that Financier or, if no selection is made, at quarterly intervals.

15.2 Additional interest

If a liability of an Obligor to a Financier under a Transaction Document becomes merged in a judgment, that Obligor must, as an independent obligation, pay interest on the amount of that liability to the Financier. Interest on the amount of that liability will accrue from the date the amount becomes due until the date the amount is paid, both before and after judgment, at the rate which is the higher of:

(a) the rate payable under the judgment; and

(b) the rate referred to in clause 15.1(b).

16. INDEMNITIES

16.1 General indemnity

(a) Each Obligor unconditionally and irrevocably indemnifies each Financier against any Claim suffered or incurred or payable by the Financier arising directly or indirectly as a result of:

(i) an Event of Default or Potential Event of Default or the exercise or attempted exercise by the Financier of a right or power arising from an Event of Default or Potential Event of Default;

(ii) the failure of an Obligor to make a prepayment or repayment in accordance with this Agreement;

(iii) the use, operation, maintenance or repair of the property subject to a Collateral Security or the breach of an Environmental Law affecting the property subject to a Collateral Security; or

(iv) in the case of HSBC (Australia), any amount paid by HSBC (Australia) to HSBC (UK), HSBC (US) or HSBC (HK) in connection with any amount which is due and unpaid by a UK Borrower, a US Borrower, a German Borrower, a HK Trade Borrower or a US Trade Borrower to HSBC (UK), HSBC (US) and HSBC (HK) respectively.

(b) Without limiting clause 16.1(a), the indemnity of each Obligor includes an indemnity against loss of profit or other loss, cost, penalty, expense or Tax incurred or payable by a Financier in:

(i) liquidating or redeploying funds acquired from third parties; or

(ii) terminating, reversing or varying arrangements to fund a Facility or any part of it or any interest rate or currency hedge, related trading position or other derivatives arrangement put in place by the Financier in respect of the Facility or any part of it.

The amount of loss of profit or other loss may be determined by the Financier by reference to a pool of funds and averaging techniques rather than by reference to a specific borrowing or a specific contract made in respect of the Facility or any part of it.

(c) Without limiting clause 16.1(a), the indemnity of each Obligor includes an indemnity for legal costs and other expenses (and Taxes on those amounts) on a full indemnity basis.

16.2 Currency indemnity

If an amount payable by an Obligor under a Transaction Document is received or recovered by a Financier or a Controller in a currency other than the currency (**Required Currency**) in which that amount is required to be paid under the Transaction Document (whether under a judgment, in the winding up of that Obligor or otherwise):

(a) the obligations of that Obligor are discharged only to the extent that the Financier or Controller may purchase the Required Currency with that other currency in accordance with its usual banking procedures on receipt of that amount; and

(b) that Obligor indemnifies the Financier or Controller in respect of, and will immediately pay to the Financier or to the Controller, the amount of any shortfall between the amount in the Required Currency which may be purchased under clause 16.2(a), after deducting any costs of exchange and any other related costs and Taxes, and the relevant sum payable under the Transaction Documents.

The Financier agrees to use reasonable endeavours to obtain the most favourable rate of exchange to minimise the cost to the Borrower.

16.3 Survival of indemnities

(a) The indemnities in this Agreement are continuing obligations of each Obligor, separate and independent from the other obligations of that Obligor and survive the termination of this Agreement or any other Transaction Document.

(b) It is not necessary for a Financier to incur expense or make payment before enforcing a right of indemnity under this Agreement.

17. ASSIGNMENT

17.1 Assignment by Borrowers

A Borrower must not assign or otherwise transfer, create any charge, trust or other interest in or otherwise deal with a Transaction Document or a right, remedy, power, duty or obligation under a Transaction Document without the prior written consent of all Financiers.

17.2 Assignment by Financiers

A Financier may assign, novate, transfer, sub-participate or otherwise dispose of or deal with all or any part of its rights or obligations under a Transaction Document to another bank or financial institution if:

(a) any necessary prior Authorisation is obtained; and

(b) the Parent has given its prior written consent to such assignment, novation, transfer, sub-participation or other disposal or dealing, which consent:

  (i) must not be unreasonably withheld; and

  (ii) will be deemed to be given if no response is received within 15 days of a request for such consent.

17.3 Disclosure

A Financier may disclose to a potential assignee, transferee, participant or sub-participant or any other person who is considering entering into contractual relations with it in connection with or in relation to a Transaction Document any information about an Obligor and the Transaction Documents as that Financier considers appropriate, provided that the person to whom the information is disclosed covenants for the benefit of the relevant Obligor and the Parent to keep that information confidential.

18. SET-OFF

18.1 Set-off

A Financier may, without notice to an Obligor or any other person, set-off and apply the whole or any part of any credit balance on any account of the Obligor with the Financier and any money owing by the Financier to the Obligor towards satisfaction of any Amount Owing by the Obligor to the Financier irrespective of:

(a) whether the account is subject to notice;

(b) whether the account is matured or the amount is due; or

(c) the currency of the account or the Amount Owing.

18.2 Currency conversion

If the currency of the Obligor's account or the Amount Owing referred to in clause 18.1 is not AUD, the Financier may for the purpose of clause 18.1 effect currency exchanges in accordance with its usual banking procedures and apply the amount purchased, after deducting any costs of exchange and any other related costs and Taxes, in accordance with clause 18.1.

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18.3 Additional right

The right of set-off contained in this clause 18 is in addition to any general or banker's lien, right of set-off, right to combine accounts or other right to which the Financier is entitled.

19. PRESERVATION OF RIGHTS

19.1 No merger

(a) No Transaction Document merges, discharges, postpones or adversely affects in any other way the rights, remedies or powers of a Financier under any other Transaction Document.

(b) Nothing in any Transaction Document merges, discharges, postpones or adversely affects in any other way a Collateral Security or any of the rights, remedies or powers of a Financier against any person.

(c) If a judgment is made in favour of a Financier against an Obligor in respect of the Amount Owing or any part of it, the Financier holds the judgment collaterally with the Transaction Documents as security for payment of the Amount Owing and no Transaction Document merges in the judgment.

19.2 Moratorium legislation

To the extent permitted by law, a provision of a law is excluded if it does or may, directly or indirectly:

(a) lessen or vary in any other way an Obligor's obligations under a Transaction Document; or

(b) delay, curtail or prevent or adversely affect in any other way the exercise by a Financier or a Controller appointed by a Financier of any of its rights, remedies or powers under a Transaction Document.

19.3 Waiver and exercise of rights

(a) A waiver by a Financier of a provision of or of a right under a Transaction Document is binding on the Financier only if it is given in writing and is signed by the Financier or an Authorised Officer of the Financier.

(b) A waiver of a breach by an Obligor of a Transaction Document is binding on a Financier only if that waiver is consented to by all Financiers;

(c) A waiver is effective only in the specific instance and for the specific purpose for which it is given.

(d) A single or partial exercise of a right by a Financier does not prevent another exercise or attempted exercise of that right or the exercise of another right.

(e) Failure by a Financier to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

(f) A Financier is not liable for any loss, cost or expense of the Borrower caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

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19.4 Rights cumulative

The rights, remedies and powers under the Transaction Documents of a Financier, or a Controller appointed by a Financier, are cumulative and do not exclude any other rights, remedies or powers.

19.5 Further assurances

An Obligor must, at its own expense, whenever requested by a Financier, promptly do or cause to be done, anything which the Financier considers reasonably necessary or desirable to:

(a) give full effect to a Transaction Document; or

(b) more fully secure the rights, remedies and powers of the Financier under a Transaction Document or to enable the Financier to exercise those rights, remedies and powers; or

(c) perfect or complete any transfer or assignment referred to in clause 17 and the benefit of any Collateral Security in relation to any transfer or assignment,

including signing and delivering documents.

19.6 Time of the essence

Time is of the essence of the performance by an Obligor of each of its obligations under each Transaction Document.

20. NOTICES

20.1 Requirements

All notices must be:

(a) in legible writing and in English and copied to the Parent;

(b) addressed to the recipient at the address or facsimile number set out below or to any other address or facsimile number that a party may notify to the other:

to each Australian Borrower:

Address:	Level 12, Suite 1202 65 Berry Street North Sydney NSW 2060 Australia
Attention:	Company Secretary
Facsimile No:	+61 2 9956 9101

to each US Borrower:

Address:	Sims Metal Management 110 Fifth Avenue, Suite 700 New York, NY 10011 USA
Attention:	Company Secretary
Facsimile No:	(1-212) 604 0453

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to the UK Borrower:

Address:	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ United Kingdom
Attention:	Company Secretary
Facsimile No:	1789 720 940

to each German Borrower:

Address:	Rathenaustrasse 10 59191 Bergkamen Germany
Attention:	Marc Faller
Facsimile No:	+49 2307 9737-99

to the HK Trade Borrower:

Address:	RM 5407, 54F Hopewell Centre 183 Queen's Road East Wanchai HK
Attention:	Ms Las Hui
Facsimile No:	2866 4900

to the US Trade Borrower:

Address:	c/o Sims Metal Management 110 Fifth Avenue Suite 700 New York, NY 10011 USA
Attention:	Myles A. Partridge
Facsimile No:	(1-212) 604 0722

to HSBC (Australia):

Address:	Level 31, 580 George Street Sydney NSW 2000 Australia
Attention:	Relationship Manager, Large Corporates
Facsimile No:	(61-2) 9006 5777

to HSBC (US):

Address:	452 Fifth Avenue, New York, New York 10018 USA
Attention:	Vice President

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Facsimile No: (1-212) 525 2555

to HSBC (UK):

Address: City Corporate Banking Centre, 60 Queen Victoria Street, London, EC4N 4TR

Attention: Simon Adcock

Facsimile No: (44) 08455 878 676

to HSBC (HK):

Address: Level 10, 1 Queens Road
Central Hong Kong

Attention: Commercial Banking, Group 1

Facsimile No: (852) 2840 0457

(c) signed by the party or, where the sender is a company, by an Authorised Officer or under the common seal of the sender; and

(d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or facsimile.

20.2 Receipt

Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

(a) if sent by hand, when left at the address of the recipient;

(b) if sent by prepaid post, 3 days (if posted within a Relevant Jurisdiction to an address in the Relevant Jurisdiction) or 10 days (if posted from one country to another) after the date of posting; or

(c) if sent by facsimile, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole facsimile was sent to the recipient's facsimile number,

but if a notice is served by hand, or is received by the recipient's facsimile on a day that is not a Business Day, or after 5:00 pm (recipient's local time) on a Business Day, the notice will be considered to have been received by the recipient at 9:00 am (recipient's local time) on the next Business Day.

21. GENERAL PROVISIONS

21.1 Invalid or unenforceable provisions

If a provision of a Transaction Document is invalid or unenforceable in a jurisdiction:

(a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and

(b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

21.2 Financier's certificate

A certificate signed by an Authorised Officer of a Financier stating an amount due, owing or payable or a rate or any other matter for the purpose of a Transaction Document is, in the absence of manifest error, conclusive and binding on the Borrower to which the certificate is given by the Financier.

21.3 Certifications

Any document or thing required to be certified by an Obligor must be certified by an Authorised Officer of an Obligor, as the case requires, or in any other manner that the all Financiers approve.

21.4 Amendment

This Agreement may be amended only by a document signed by all parties.

21.5 Counterparts

This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

21.6 Successors and assigns

This Agreement is binding on, and has effect for the benefit of, the parties and their respective successors and permitted assigns.

22. CROSS GUARANTEE

22.1 Consideration

Each Guarantor agrees that it grants this guarantee for valuable consideration including, without limitation, the Financiers, at the request of each Guarantor, entering into this Agreement, and the Financiers making available and/or continuing to make available the Commitment to the Borrowers.

22.2 Guarantee

Each Guarantor unconditionally and irrevocably guarantees jointly and severally the due and punctual payment and satisfaction of the Amount Owing by each Borrower to the Financiers.

22.3 Financiers' right to demand

If a Borrower defaults in the due and punctual payment or satisfaction of any of the Amount Owing, the Guarantors will pay the whole amount of the Amount Owing to the Financiers immediately upon demand by the Financiers, or as otherwise directed by the Financiers, after any Event of Default has occurred which has not been waived by the Financiers, or remedied to the Financiers' satisfaction. The Financiers may make such a demand on any Guarantor from time to time and whether or not demand has been made on the Borrowers.

22.4 Indemnity

For the consideration mentioned in clause 22.1, if the whole or any part of the Amount Owing:

(a) is irrecoverable or has never been recoverable by the Financiers from the Borrowers or from a Guarantor as Guarantor;

(b) cannot be enforced against the Borrowers or against a Guarantor as Guarantor; or

(c) is not paid to the Financiers for any other reason,

in any case for any reason whatsoever including, without limitation, by reason of:

(d) any legal limitation, disability, incapacity, lack of power or lack of authority of or affecting any person;

(e) any of the transactions relating to the Amount Owing or the Transaction Documents being void, voidable, illegal or unenforceable (whether or not any of the matters or facts relating thereto have been or ought to have been within the knowledge of the Financiers); or

(f) any other fact, matter or thing whatsoever,

the Guarantor unconditionally and irrevocably indemnifies the Financiers in respect of such moneys.

22.5 Separate and principal obligation

Each Guarantor agrees that the indemnity contained in clause 22.4 is a separate and distinct obligation and will not be restrictively interpreted by reason of the guarantee set out in clause 22.2. The Guarantor agrees that its liability under clause 22.4 is that of principal debtor.

22.6 Continuing obligations

This guarantee is a continuing guarantee and indemnity and will remain in full force and effect until the whole of the Amount Owing has been paid or satisfied in full, subject to clause 22.17. The obligations under it are principal obligations and not ancillary or collateral to any other right or obligation and may be enforced by the Financiers without the Financiers first being required to exhaust any remedy it may have against the Borrowers or enforce any security it may hold relating to the Amounts Owing.

22.7 Obligations of Guarantors unaffected

Each Guarantor's obligations as guarantor and indemnifier under this guarantee are absolute, unconditional and irrevocable in any and all circumstances and will not be prejudiced, released, discharged or otherwise affected by any one or more of the following (whether occurring with or without the consent of or notice to any person):

(a) any release, failure or agreement not to sue, discharge, relinquishment, waiver, replacement, amendment, variation, increase, decrease or compounding of the obligations of the Borrowers or of any other person (other than an express written release of or express written waiver for the benefit of the Guarantor) under this Agreement or any other Transaction Document or of the Amount Owing including, without limitation:

(i) any increase or other variation in the financial accommodation provided under this Agreement or the incurring of further or additional obligations by the Borrowers to the Financiers;

(ii) any variation in the time or method of payment of any amount payable under this Agreement or any other Transaction Document; or

(iii) any increase or other variation in the interest rate payable under this Agreement or in the method of the calculation thereof;

(b) any of the obligations of the Borrowers, the Guarantor or any other person under this Agreement being or becoming wholly or partially illegal, void, voidable or unenforceable, whether by reason of any law or for any other reason whatsoever;

(c) any waiver, replacement, amendment, variation, increase, decrease or compounding of the obligations of the Guarantor (other than an express waiver for the benefit of the Guarantor) under this Agreement or any other Transaction Document including, without limitation:

(i) in respect of a Cash Advance Facility, any variation of the Margin or the Commitment Fee applicable to that Cash Advance Facility;

(ii) in respect of a Trade Facility, any variation of the Margin, the Commitment Fee or the import and export fees applicable to that Trade Facility; and

(iii) in respect of a Bank Guarantee and Standby Letter of Credit Facility, any variation of the Guarantee Fee or Establishment Fee applicable to that Bank Guarantee and Standby Letter of Credit Facility;

(d) any dealing, act or omission, whether constituting an election, waiver, estoppel or otherwise, by the Financiers with respect to any judgment for payment of moneys, speciality instrument (negotiable or otherwise) or other security recovered, held or enforceable by it in respect of all or any of the Amount Owing;

(e) any delay, laches, acquiescence, mistake, act or omission on the part of the Financiers or any other person;

(f) any part of the moneys forming part of the Amount Owing being or becoming irrecoverable or never having been recoverable or any part of the obligations forming part of the Amount Owing being or becoming unenforceable or never having been enforceable;

(g) any irregularity or deficiency in the execution of this Agreement by the Borrowers, the Guarantor or any other person (other than the Financiers) or any lack or abuse of authority or power of any person in relation to any such execution;

(h) any failure by any person to give or require any certificate or other instrument in connection with this Agreement or otherwise;

(i) any non-compliance by the Financiers or any other person with the provisions of any law or any non-compliance by the Financiers or any other person with any provisions of any agreement with the Borrowers or the Guarantor relating to any Amount Owing or any omission or negligence by the Financiers or any other person in relation to the Borrowers or the Guarantor;

(j) any law or judgment staying or suspending all or any of the rights of the Financiers against the Borrowers, the Guarantor, or any other person (by operation of law or otherwise);

(k) any person becoming or not becoming the Guarantor of the Amount Owing or any part thereof or any discharge or release of any such person;

(l) the granting of any time, credit, further advances or concession to the Borrowers, the Guarantor or any other person, with or without the imposition of any additional burden;

(m) any judgment or rights which any person may have or exercise against the Borrowers, the Guarantor or any other person;

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(n) the insolvency, bankruptcy, winding up, receivership, reconstruction, reorganisation or amalgamation of the Borrowers, the Guarantor or any other person;

(o) the Borrowers, the Guarantor or any other person entering into any scheme of arrangement, composition, assignment for the benefit of, or other arrangement with, creditors or the receipt by the Financiers of any moneys thereunder or any reduction of capital in or voluntary administration of the Borrowers, the Guarantor or any other person;

(p) any change in the membership of any partnership, trust, or other association of which the Borrowers, the Guarantor or any other person is a member (whether any such change occurs by reason of the death or retirement of any partner or the admission of any new partner or otherwise howsoever), any change in the nature of, or the cessation of, the business carried on by such persons or the fact that the Borrowers or the Guarantor is not (or having once been a member of such partnership, trust or other association, is no longer) a member of any such partnership, trust or other association;

(q) the fact that the Borrowers, the Guarantor or any other person may enter into agreements or transactions with or incur obligations to the Financiers;

(r) any transfer, assignment, participation, sub-participation, novation or syndication of, or other dealing with, the benefit of this Agreement or any other Transaction Document by the Financiers;

(s) the granting of any Security Interest, guarantee or indemnity by the Borrowers, the Guarantor or any other person to the Financiers or the failure to take or obtain or the loss or impairment of any Security Interest, guarantee or indemnity from the Borrowers, the Guarantor or any other person or the failure to register or perfect any such Security Interest;

(t) the discharge or termination of this Agreement or any other Transaction Document given by the Borrowers, the Guarantor or any other person or any composition, compromise, release, waiver, variation, relinquishment or renewal of the obligations of the Borrowers, the Guarantor or any other person thereunder or of any rights of the Financiers thereunder;

(u) any setting aside or avoidance of any payment by the Borrowers or the Guarantor for any reason whatsoever;

(v) the fact that any negotiable or other instrument is still in circulation or outstanding; or

(w) any other fact, matter, circumstance or thing whatsoever which, but for this provision, could or might operate to prejudice, release, discharge or otherwise affect a Guarantor's obligations under this Agreement.

22.8 Recourse to Guarantors

The Financiers will not be required to proceed against the Borrowers or any other guarantor or exhaust any remedies they or any of them may have against the Borrowers or any other guarantor but will be entitled to demand and receive payment from the Guarantor when any payment is due under this Agreement.

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22.9 Dealings with this Agreement

The Guarantor will not hold the Financiers liable for any loss or damage suffered by the Guarantor, and nor will the Guarantor be released or discharged in whole or in part, as a result of:

(a) any release or other dealing with this Agreement or any other Transaction Document including, without limitation, any prejudice to or loss of any rights of subrogation; or

(b) the Financiers failing or neglecting to recover, any moneys owing or to become owing to the Financiers by the Borrowers or the Guarantor.

22.10 No marshalling

The Financiers will not be obliged to marshal or appropriate in favour of a Guarantor any Security Interest held by the Financiers or to exercise, apply, perfect or recover any Security Interest that the Financiers hold at any time or any funds or assets (including property) that the Financiers may be entitled to receive or have a claim upon.

22.11 Exercise of the Financiers' rights

The Financiers may in their absolute discretion determine from time to time not to enforce this Agreement against the Guarantor and may from time to time make any arrangement or compromise with the Guarantor as the Financiers think fit.

22.12 Waiver of rights by Guarantors

The Guarantor waives in favour of the Financiers all rights whatsoever (whether at law or otherwise) against the Financiers, the Borrowers and any other person and any property so far as is necessary to give effect to the terms of this Agreement.

22.13 No rights against Financiers

The Guarantor will not, whether or not the Amount Owing has been paid or satisfied in full, call on the Financiers to sue or take proceedings against the Borrowers or raise a defence, set-off or counterclaim of itself or of the Borrowers in reduction of its liability hereunder and, unless and until the whole of the Amount Owing has been paid or satisfied in full, the Guarantor will not claim the benefit of, or participate in, any Security Interest, guarantee or indemnity now or hereafter held by the Financiers in respect of the Amount Owing.

22.14 Rights against Borrowers

Unless and until the whole of the Amount Owing has been paid or satisfied in full, the Guarantor will not make any claim for any sum paid under this Agreement or enforce any rights which it may have (whether by way of defence, indemnity, set-off, counterclaim, contribution, subrogation or otherwise) against the Borrowers or their property.

22.15 No rights in winding up of Borrowers

Unless and until the whole of the Amount Owing has been paid or satisfied in full, upon the winding up, bankruptcy or receivership of the Borrowers (or any other person) or upon the Borrowers (or such other person) entering into any scheme of arrangement, composition, assignment or arrangement with its creditors or members:

(a) the Guarantor will not (except in circumstances where the Financiers do not prove in the name of the Guarantor in accordance with clause 22.16(a) prove or claim in competition to the Financiers so as to diminish any distribution, dividend or payment which, but for such proof or claim, the Financiers would be entitled to

receive thereunder and the Guarantor will not claim or receive the benefit of any distribution, dividend or payment arising out of or relating thereto; and

(b) the Financiers may prove or claim for the full amount of the Amount Owing and payments received by the Financiers from the Guarantor under this Agreement, or from the enforcement of any Security Interest granted to the Financiers by a Guarantor, will not affect the Financiers' right to prove or claim for the full amount of the Amount Owing.

22.16 Prove in winding up

(a) Upon the winding up, bankruptcy or receivership of the Borrowers (or any other person) or upon the Borrowers (or such other person) entering into any scheme of arrangement, composition, assignment or arrangement with its creditors or members, the Guarantor authorises the Financiers to (without being obliged to do so):

(i) prove, in the name of the Guarantor, for all moneys for which the Borrowers are liable to the Guarantor, including any moneys which the Guarantor has paid under this Agreement; and/or

(ii) retain and carry to a separate account and appropriate at the Financiers' discretion any distribution, dividend or payment received thereunder until the Amount Owing have been paid or satisfied in full; and/or

(iii) do anything and exercise all rights which the Guarantor could lawfully do or exercise in such proceedings,

and the Guarantor appoints the Financiers and each Authorised Officer of the Financiers, severally, to be its attorney for the purposes set out above.

(b) The Financiers must notify the Guarantor in writing if it does not intend to prove in the name of the Guarantor under clause 22.16(a)(i).

22.17 Reinstatement of beneficiary's rights

If any claim is made that any moneys received by the Financiers in payment or satisfaction of the Amount Owing must be repaid or refunded, or that any settlement, obligation, transaction, conveyance or transfer affecting or relating to the Amount Owing is void or voidable, under any law (including, without limitation, under any law relating to preferences, bankruptcy, insolvency or the winding up of companies):

(a) the Guarantor will, at its own expense, promptly do, execute and deliver, and cause any relevant third person to do, execute and deliver, all such acts and instruments as the Financiers may require to reinstate the guarantee under clause 22.2 and to restore to the Financiers any Security Interest, guarantee, indemnity or other security held by them or any of them immediately prior to such payment, satisfaction, settlement, obligation, transaction, conveyance or transfer; and

(b) if the claim is upheld, compromised or admitted, the Financiers shall be entitled to the same rights, powers and remedies against the Guarantor as it would have had if the relevant moneys had never been applied in payment or satisfaction of the Amount Owing or if such settlement, obligation, transaction, conveyance or transfer had not been incurred or taken place,

and this clause 22.17 will survive the release or termination of this Agreement unless the Financiers expressly agree otherwise in writing.

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22.18 Cross-Guarantee

The guarantee and indemnity contained in clause 22.2 and clause 22.4 takes effect as a cross-guarantee and cross-indemnity where one or more of the Borrowers are the same as one or more of the Guarantors. In these circumstances, it is a separate guarantee and indemnity in relation to each Borrower as if that person were:

(a) the only person included in the definition of "Borrowers"; and

(b) excluded from the definition of "Guarantor".

22.19 German Guarantors

(a) To the extent that the guarantee and indemnity contained in clause 22.2 and clause 22.4 is granted by a German Guarantor (the **German Guarantee and Indemnity**) and that German Guarantee and Indemnity guarantees or indemnifies amounts which are owed by direct or indirect shareholders of the German Guarantor or affiliated companies of such shareholders (with the exception of affiliated companies which are also affiliated companies of the German Guarantor), the German Guarantee and Indemnity shall be subject to certain limitations as set out in paragraph (b) below. In relation to any other amounts guaranteed and/or indemnified, the German Guarantee and Indemnity remains unlimited.

(b) To the extent that the demand under the German Guarantee and Indemnity against a German Guarantor is made in respect of amounts in relation to which the conditions pursuant to paragraph (a) are fulfilled, the relevant German Guarantor's liability shall be limited as follows:

(i) the German Guarantee and Indemnity shall not be enforceable to the extent that the German Guarantor is able to demonstrate that such enforcement has the effect of:

(A) reducing the German Guarantor's net assets (*Nettovermögen*) (the **Net Assets**) to an amount less than its stated share capital (*Stammkapital*); or

(B) (if its Net Assets are already lower than its stated share capital) causing such amount to be further reduced,

and thereby affects its assets which are required for the obligatory preservation of its stated share capital according to §§ 30, 31 German GmbH-Act (*GmbH-Gesetz*).

(c) This clause 22.19 shall apply mutatis mutandis if the German Guarantee and Indemnity is granted by a Guarantor incorporated in Germany as a limited liability partnership (GmbH & Co. KG) in relation to the limited liability company as general partner (*Komplementär*) of such Guarantor.

23. NEW BORROWER

(a) Subject to the Financiers' prior written consent, any Subsidiary of the Parent (other than any Subsidiary of the Parent which is incorporated in New Zealand) and any other company may become a Borrower for the purposes of this Agreement by becoming a New Borrower by entering into an Accession Deed.

(b) Upon execution of an Accession Deed by the Parent, New Borrower and the Financier, the New Borrower will be taken to be an Obligor and a Guarantor for the purposes of this Agreement with all the rights and obligations of a Borrower and

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Guarantor as if it were an original party to this Agreement and to have made the representations and warranties in clause 11 on the date of such execution.

(c) The Parent will ensure that before the parties execute the Accession Deed, the Financier has received the following in form and substance satisfactory to it:

(i) a certificate in relation to the New Borrower given by a director of the New Borrower substantially in the form of Annexure E (with the attachments referred to in that certificate) dated not earlier than 14 days before the execution of the Obligor Accession Deed by the New Borrower; and

(ii) if the New Borrower is a foreign entity, at the cost of the New Borrower a legal opinion confirming that upon execution by the New Borrower the Accession Deed will constitute valid, binding and enforceable obligations of the New Borrower.

(d) Each Guarantor irrevocably appoints the Parent to execute any Accession Deed on its behalf.

24. PROCUREMENT AND RETIREMENT OF GUARANTORS

24.1 Procurement of Guarantors

(a) In order to comply with clause 12.3(c), each Obligor undertakes that (other than with respect to entities which the Financier agrees to exclude from this clause 24) it shall procure that sufficient entities which are or become Subsidiaries of that Obligor shall become a Guarantor by entering into an accession deed (or accession deeds) in form and substance reasonably satisfactory to the Financier (and satisfying any additional reasonable requirements of the Financier) whereby the New Guarantor agrees to be bound by all the obligations, representations, warranties and other provisions of the Cross Guarantee set out in clause 22 as if it were an original party to this Agreement.

(b) A Guarantor shall cease to be a Guarantor for the purposes of this Agreement, and shall be released from all obligations or liabilities under this Agreement, only in the event of:

(i) such Guarantor ceasing to be a Related Party of all Obligors following the disposal of shares (or the relevant means of control) by the Obligors in such Guarantor, provided that the disposal of shares and the ceasing of the Guarantor to be a Guarantor for the purposes of this Agreement will not result in a contravention of clause 12.2 or 12.3;

(ii) the distribution or transfer to the Obligors in the course of a voluntary winding up or a creditors' voluntary winding up (where the only creditors are one or more Obligors) of such Guarantor of such part of the Assets of such Guarantor being wound up as the Obligors are entitled to in proportion to their ownership in such Guarantor; or

(iii) the Amount Owing being fully paid or repaid to the Financier, as the case may be, provided that any payment or repayment of the Amount Owing which shall at any time hereafter be avoided under any law for the time being in force relating to the winding up or official management of companies shall be deemed never to have been made and to that extent that liability of the Obligors in respect of such amount and this Agreement shall subsist to the benefit of the Financier.

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(c) The Financier may in its sole and absolute discretion at any time agree to release a Guarantor from all obligations or liabilities under this Agreement, whereupon such Guarantor shall cease to be a Guarantor for the purposes of this Agreement and in such event, the Financier shall at the request and cost of such Guarantor execute and do all such deeds, acts and things as may be reasonably necessary to release the Guarantor from such obligations and liabilities, provided that any such agreement to release shall not affect any obligation or liability of any other Guarantor.

24.2 New Related Party

(a) Where, after the date of this Agreement, an entity becomes a Related Party of an Obligor and, at such time, financial accommodation has been provided to such entity by the Financier or any Affiliate Financiers ("existing accommodation"), the Financier may, at any time within 60 days after the notification to the Financier that an entity with existing accommodation has become a Related Party of an Obligor, by notice in writing to that entity or any other Obligor declare:

(i) that where the notice is given to the relevant entity, the existing accommodation (or any lesser amount specified in the notice) is due and payable within the period specified in the notice which shall be not less than 60 days;

(ii) that where the notice is given to an Obligor other than the relevant entity, financial accommodation then provided by the Financier to that Obligor must be reduced by payment of an amount (specified in the notice) equal to or less than the existing accommodation within the period specified in the notice.

(b) Amounts specified in a notice given pursuant to paragraph (a) are payable within the period specified in such notice.

25. DISPUTE RESOLUTION

(a) If an Issue, or a circumstance that is reasonably likely to result in an Issue arises each of the Parent and the Financiers must not commence any court proceedings relating to the Issue unless it has complied with the provisions of this clause 25, except to seek urgent interlocutory relief.

(b) If the Parent or the Financiers become aware of an Issue, or a circumstance that is reasonably likely to result in an Issue, it must promptly notify the other (**Initial Notice**) and if the Issue is not resolved within ten (10) Business Days from the date of on which the Initial Notice is provided (excluding the date on which the Initial Notice is given) (or such other period as agreed to in writing between the Parent and the Financiers), then either the Parent or the Financiers may give a written notice to the other specifying the nature and giving details of the Issue (**Notification**).

(c) If an Issue is resolved within ten (10) Business Days from the date on which the Initial Notice is provided (excluding the date on which the Initial Notice is given) (or such other period as agreed to in writing between the Parent and the Financiers), the Parent and the Financiers must exchange written acknowledgement of such resolution prior to the end of the ten (10) Business Day period.

(d) Once a Notification is given in accordance with clause 25(b), a Dispute is taken to have arisen. If no Notification is given in accordance with clause 25(b) or the Issue is resolved and written acknowledgement has been exchanged between the

Parent and the Financiers in accordance with clause 25(c), a Dispute will not be taken to have arisen in relation to the Issue and the provisions of this clause 25 will no longer apply. If the provisions of this clause 25 no longer apply as a result of the failure of either the Parent or the Financiers to give a Notification, the matter or thing asserted by either the Parent or the Financiers which gave rise to the Issue (**Contesting Party**) will be disregarded and the view of the party other than the Contesting Party will prevail in respect of the issue forming the subject matter of the Issue.

(e) If the Parent and the Financiers do not resolve the Dispute within ten (10) Business Days after the Notification is given (excluding the date on which the Notification is given) (or such other period as agreed to in writing between the Parent and the Financiers) either the Parent or the Financiers may submit the Dispute to expert determination.

(f) If the Dispute is referred to expert determination under clause 25(e):

(i) both the Parent and the Financiers may nominate an independent expert with relevant expertise in accounting, legal and commercial matters to act as expert and submit this nomination to the other within the earlier of twelve (12) Business Days after the Notification is given (excluding the date on which the Notification is given), or two (2) Business Days following a decision by the Parent and the Financiers to submit the Dispute to expert determination (excluding the date on which that decision is reached) (or such other period as agreed to in writing between the Parent and the Financiers);

(ii) if only the Financiers or only the Parent nominates an expert in accordance with clause 25(f)(i), the nominated expert will be taken to have been agreed to by both the Parent and the Financiers and that expert will be validly appointed;

(iii) if the Parent and the Financiers do not agree on the appointment of an expert within three (3) Business Days after both expert nominations have been submitted (excluding the date on which both nominations have been submitted), the matter will be referred to the President of the Institute of Chartered Accountants of Australia who will nominate an independent expert with relevant expertise in accounting, legal and commercial matters to determine the Dispute and both the Parent and the Financiers will accept this nomination;

(iv) where the Parent is engaged in a dispute with any of its other lenders (which have adopted a dispute resolution clause in substantially the same form as this clause 25) in relation to the same subject matter as a Dispute or Issue between the Parent and the Financiers, the Financiers agree to the common appointment of an expert to resolve the disputes simultaneously and an expert appointed in these circumstances can only be appointed if the expert accepts a common appointment;

(v) the terms of the expert's retainer must provide that in resolving the Dispute the expert will, to the extent relevant, be subject to the then current ACDC Guidelines for Expert Determination, and will use all reasonable endeavours to ensure that if a Dispute relates to a current Calculation Period a decision is reached prior to the Calculation Date for that Calculation Period;

(vi) the terms of the expert's retainer must provide that the expert must provide a decision as soon as reasonably practicable and in any event no later

than the five (5) Business Days from the date of referral (excluding the date of referral) (or such other period as agreed to in writing between the Parent and the Financiers);

(vii) the decision of the expert is final and binding on the Financiers and the Obligors except in the case of manifest error; and

(viii) if, for any reason:

(A) an expert is not appointed within five (5) Business Days of the expert appointment decision being referred to the President of the Institute of Chartered Accountants of Australia (excluding the date on which the matter is referred);

(B) or the appointed expert provides the Parent and the Financiers with written confirmation that the expert is unable to reach a decision in relation to the Dispute,

the provisions of this clause 25 will no longer apply to the Dispute and each of the Parent and the Financiers may:

(C) commence court proceedings; and/or

(D) pursue any other remedies that are available to the relevant party;

in relation to the matter or thing forming the subject matter of the Dispute.

(g) If a Dispute or Issue first arises prior to the end of a Calculation Period and is not resolved in accordance with this clause 25 by the end of that Calculation Period, the Parent and the Financiers agree to use reasonable endeavours to resolve the Dispute or Issue as soon as possible following the relevant Calculation Date and in any event no later than 30 Business Days following the Parent and the Financiers first becoming aware of the Issue (excluding the date on which both the Parent and the Financiers first become aware of the Issue) (or such other period as agreed to in writing between the Parent and the Financiers).

(h) The Financiers agree that prior to the resolution of the Dispute or Issue in accordance with the provisions of this clause 25, or the termination of the dispute resolution process as contemplated by clause 25(f)(viii), the subject matter of any Dispute or Issue may not be taken into account in determining whether the Parent is in breach of any of the financial undertakings contained in clause 12.3 of this Agreement that require EBITDA to be calculated.

(i) The Parent must bear the costs of complying with this clause 25 and comply with the obligations under the Transaction Documents during the dispute resolution process contained in this clause 25.

(j) In acting under the provisions of this clause 25, the Parent and the Financiers must at all times use reasonable endeavours to resolve any Dispute or Issue.

(k) Each Obligor represents and warrants for the benefit of the Financiers that each Other Bank Document that requires or contemplates adjustments to EBITDA contains a dispute resolution clause in substantially the same form as this clause 25.

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26. GOVERNING LAW AND JURISDICTION

26.1 Governing law

This Agreement is governed by the laws of the state of New South Wales, Australia.

26.2 Jurisdiction

Each Obligor irrevocably and unconditionally:

(a) submits to the non-exclusive jurisdiction of the courts of the state of New South Wales, Australia; and

(b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

26.3 Service of process

Each Borrower agrees that a document required to be served in proceedings about a Transaction Document may be served:

(a) by being delivered to or left at its address for service of notices under clause 20.1; or

(b) in any other way permitted by law.

26.4 Agent for service of process

(a) Each Borrower which is not incorporated in Australia (**Foreign Borrower**) irrevocably appoints the Parent as its agent to receive service of process in any proceedings about a Transaction Document.

(b) Each Foreign Borrower agrees that a document required to be served in proceedings about a Transaction Document may be served:

(i) by being delivered to or left at the address of its agent for service of process, whether or not that agent in turn notifies the Foreign Borrower; or

(ii) in any other way permitted by law.

(c) If for any reason the Parent ceases to act in its capacity as process agent for a Foreign Borrower, the Foreign Borrower must immediately appoint a substitute process agent approved by all Financiers in New South Wales and notify each Financier of that appointment. Until each Financier receives that notification, it will be entitled to treat the Parent (or its successor) as the agent of each Foreign Borrower for the purpose of this clause.

26.5 Execution by attorneys

Each attorney executing this Agreement states that the attorney has no notice of revocation or suspension of the power of attorney under which the attorney executes this Agreement.

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Schedule 1

CASH ADVANCE FACILITY

1. Definitions

In this Schedule, a reference to a section is to a section of this Schedule and unless the context requires another meaning:

Advance means the principal amount advanced or to be advanced by a CAF Financier to a CAF Borrower in accordance with a Funding Notice or the amount of the Advance which remains outstanding;

Funding Period means, in respect of the Cash Advance Facility, a period selected in accordance with section 5;

Interest Payment Date means, in respect of the Cash Advance Facility:

(a) the last day of a Funding Period; and

(b) in the case of a Funding Period of more than 6 months, the last day of each 6 month period during that Funding Period; and

Margin means, in respect of a CAF Borrower, the percentage per annum set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by the Financiers to the Parent.

2. Availability

Subject to this Agreement, a CAF Borrower may draw Advances in any Approved Currency during the Availability Period under the Cash Advance Facility.

3. Amount of each Advance

The principal amount of an Advance under the Cash Advance Facility must be at least:

(a) for Advances denominated in AUD: AUD200,000 and thereafter in multiples of no less than AUD100,000;

(b) for Advances denominated in USD: USD500,000 and thereafter in multiples of no less than USD100,000; and

(c) for Advances denominated in GBP: GBP350,000 and thereafter in multiples of no less than GPB50,000.

4. Interest

(a) A CAF Borrower must pay interest to a CAF Financier on each Advance provided by that CAF Financier to it:

(i) at the rate determined under section 4(b) for each Funding Period for that Advance; and

(ii) in arrears on each Interest Payment Date.

(b) The rate of interest for a Funding Period is a rate of interest per annum which is the sum of the Base Rate for that Funding Period and the Margin.

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(c) Interest under this section 4:

(i) accrues from day to day; and

(ii) is calculated on the basis of the actual number of days elapsed (including the first day but excluding the last) and a 360 day year for Advances in USD, or a 365 day year for Advances in other Approved Currencies.

5. Selection

For an Advance under the Cash Advance Facility:

(a) subject to this section 5 and section 6:

(i) the length of the first Funding Period is the period selected by the relevant CAF Borrower in the Funding Notice for that Advance; and

(ii) the length of each subsequent Funding Period for an Advance is the period selected by the relevant CAF Borrower by notice which must be received by the relevant CAF Financier not later than 11:00 am at least 2 Business Days before the start of the relevant Funding Period (or a later time agreed in writing by the Financier);

(b) the Funding Period selected pursuant to section 5(a) may be a period of 30, 60, 90, 120, 150 or 180 days or any other period that the Financier agrees in writing; and

(c) if a CAF Borrower does not give a notice selecting a Funding Period or selects a Funding Period which does not comply with this section 5 or section 6, the CAF Borrower is considered to have selected a Funding Period of 1 month or any other period selected by the relevant CAF Financier.

6. Funding Periods

(a) The first Funding Period for an Advance starts on the Funding Date for that Advance.

(b) Each Funding Period (except the first) starts on the last day of the preceding Funding Period.

(c) A Funding Period which would otherwise end on a day that is not a Business Day instead ends on the following Business Day or, if that Business Day is in another calendar month, on the immediately preceding Business Day.

(d) If a Funding Period starts on a day for which there is no numerically corresponding day in the month in which the Funding Period ends, the Funding Period ends on the last Business Day of the later calendar month.

(e) No Funding Period may end after the Final Repayment Date. A Funding Period which would otherwise end after the Final Repayment Date instead ends on the Final Repayment Date.

7. Prepayment

(a) A CAF Borrower may only prepay an Advance provided to it by a CAF Financier in accordance with this Agreement.

(b) A CAF Borrower may only prepay to a CAF Financier all or any part of an Advance provided to it by that CAF Financier by giving the CAF Financier notice of its intention to do so by 11:00 am on the date of prepayment.

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(c) The amount of any partial prepayment of an Advance must be at least $250,000 (or its equivalent in the relevant Approved Foreign Currency) and a whole multiple of $50,000 (or its equivalent in the relevant Approved Foreign Currency).

(d) A notice of prepayment given under this section 7 is irrevocable.

(e) On the proposed prepayment date, the CAF Borrower must:

(i) prepay the amount specified in the notice of prepayment;

(ii) pay all reasonable interest, fees, expenses and other amounts accrued under the Transaction Documents on the amount prepaid to the prepayment date (whether or not yet payable); and

(iii) all reasonable costs and losses of the relevant CAF Financier arising from an Advance being prepaid other than on the last day of a Funding Period, as determined by the CAF Financier.

(f) Amounts prepaid may be re-borrowed under this Agreement.

8. Netting of Advances

(a) If an Advance (the **Maturing Advance**) is due to be repaid by the CAF Borrower on the last day of its Funding Period and a new Advance (the **New Advance**) is to be made to the CAF Borrower on the same day, then:

(i) if the amount of the New Advance is greater than the Maturing Advance, the relevant CAF Financier is only required to actually pay on that date an amount equal to the New Advance minus the amount of the Maturing Advance;

(ii) if the amount of the New Advance is less than the amount of the Maturing Advance, the CAF Borrower is only required under section 9(a) to actually pay to the relevant CAF Financier on that date an amount equal to the Maturing Advance less the amount of the New Advance; and

(iii) if the amount of the New Advance is equal to the amount of the Maturing Advance, neither the relevant CAF Financier nor the relevant CAF Borrower need actually pay any amount to each other in respect of the New Advance or the Maturing Advance on that date.

(b) This section 8 does not otherwise affect the relevant CAF Borrower's obligations in respect of any Amount Owing.

(c) A rollover fee of AUD75 applies in relation to each Advance netted under this section 8.

9. Repayment

(a) Subject to section 8, the CAF Borrowers must repay each Advance to the relevant CAF Financiers on the last day of its Funding Period. Subject to this Agreement, any Advance repaid in accordance with this section 9(a) is available for further drawing under the Cash Advance Facility.

(b) Each CAF Borrower must pay in full to the relevant CAF Financier the Amount Owing by that CAF Borrower under the Cash Advance Facility on the Final Repayment Date.

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10. Review of Margin and Commitment Fee

Each CAF Borrower and each Guarantor consents and agrees to, and acknowledges and agrees that its respective liability under this document extends to, any variation to the Margin and/or the Commitment Fee set out in each fee letter substantially in the form set out in Annexure G delivered from time to time by the Financiers to the Parent.

[*] Confidential Treatment Requested

Schedule 2

AUSTRALIAN TRADE FACILITIES AND HK TRADE FACILITY

The following terms in this Schedule 2 apply to the Australian Trade Facilities and the HK Trade Facility and do not apply to the US Trade Facility.

1. Definitions

In this Schedule, a reference to a section is to a section of this Schedule and unless the context requires another meaning:

Approved Invoice means an invoice of a Debtor acceptable to HSBC (Australia);

Cost of Funds means, in respect of any Funding Period, the rate quoted by the relevant Financier as its cost of obtaining funds in the currency of the relevant Trade Advance and for a period comparable to such Funding Period, in such interbank market or by such other means as that Financier may at its discretion select, at or about the normal time for seeking quotes for such funds two Business Days prior to the commencement of such Funding Period;

Credit has the meaning given to it in the UCP;

Current Documentary Credit means a Documentary Credit the Expiry Date of which has not yet arrived or in respect of which a Trade Borrower has not discharged all of its obligations under the UCP or this Agreement to the relevant Trade Financier as the corresponding issuer of that Documentary Credit;

Debtor means the debtor under an Approved Invoice or Documentary Collection;

Documentary Credit means an irrevocable documentary credit issued or to be issued by a Trade Financier for the account of a Trade Borrower in accordance with section 3;

Documentary Collection means a document evidencing Financial Indebtedness of a Debtor and acceptable to the relevant Trade Financier;

Expiry Date of a Documentary Credit issued by a Trade Financier means the expiry date specified in that Documentary Credit, following which no Claim, demand or drawing may be made on that Trade Financier under that Documentary Credit;

Export Letter of Credit means a Credit issued by an Issuing Bank in favour of a Trade Borrower;

Face Value Amount means for a Documentary Credit issued by a Trade Financier, the maximum undrawn amount payable by that Trade Financier under that Documentary Credit;

Funding Period means, for a Trade Advance made by a Trade Financier, any Funding Period selected by a Trade Borrower in a Funding Notice, which is acceptable to that Trade Financier;

Interest Payment Date means, in respect of the Trade Facility, the last day of a Funding Period;

Issuing Bank has the meaning given to it in the UCP;

LIBOR means, for an amount and a period:

(a) the rate determined by HSBC (HK) to be the arithmetic mean, expressed as a percentage per annum (rounded up (if necessary) to four decimal places), of the rates quoted:

(i) at or about 11.00 am (London time) two Business Days (in London) before the first day of that period; and

(ii) for a period equal or comparable to that period and for value on the first day of that period,

on:

(iii) where the amount is in USD, the Reuters monitor system page "LIBO";

(iv) where the amount is in HKD, the Reuters monitor system page selected by HSBC (HK),

or (in each case) any page which replaces that page; or

(b) where the page referred to in paragraph (a) for the currency in which that amount is denominated is not available, or less than two rates are quoted on that page at that time, the rate determined by HSBC (HK) to be the arithmetic mean of the rates expressed as a percentage per annum (rounded up (if necessary) to four decimal places), at which deposits:

(i) denominated in the same currency;

(ii) for the same or a comparable amount;

(iii) for a period equal or comparable to that period; and

(iv) or value on the first day of that period,

are offered to HSBC (HK) by prime banks, in the interbank market selected by it, at or about 11.00 am (local time in the place of that market) two Business Days in the place of that market before the first day of that period;

Margin means, in respect of a Relevant Borrower, a percentage per annum set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by the Trade Financier that provides the Trade Facility to that Relevant Borrower and the Parent;

Opening Date means, for a Documentary Credit, the date that Documentary Credit is, or is to be, issued;

Repayment Date means, in respect of a Trade Advance, the last day of the Funding Period for that Trade Advance;

Trade Advance means, for a Trade Advance Facility, the principal amount advanced or to be advanced under a Trade Advance Facility in accordance with a Funding Notice or the amount of the Trade Advance which remains outstanding;

Trade Advance Facility means the Clean Import Advance Facility set out in section 4, the Negotiation Advance Facility set out in section 5 and the Receivables Advance Facility set out in section 6;

Trade Borrowers means the Australian Trade Borrowers and the HK Trade Borrowers and **Trade Borrower** means any one of them;

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Trade Financiers means HSBC (Australia) and HSBC (HK) and **Trade Financier** means either of them; and

UCP means the Uniform Customs and Practice for Documentary Credits (7th Revision), International Chamber of Commerce Publication No. 600.

2. Trade Facilities

Subject to this Agreement:

(a) HSBC (Australia) agrees to provide the Australian Trade Borrowers with the Trade Facilities described below in AUD; and

(b) HSBC (HK) agrees to provide the HK Trade Borrower with the Trade Facilities described below in HKD or USD,

or any other Approved Currency for the purpose and on the terms and conditions set out below and on such other terms and conditions as may be agreed from time to time between that Trade Financier and the Parent.

3. Import Documentary Credit Facility

3.1 Purpose

To support the establishment and negotiation of sight and/or term irrevocable Documentary Credits up to a maximum of 120 days and bills drawn thereunder.

3.2 Conditions of utilisation

A Trade Financier is not obliged to issue any Documentary Credit under this Facility unless that Trade Financier has received a Funding Notice no later than 11:00 am on the proposed Issuance Date. A Documentary Credit requested in a Funding Notice received by that Trade Financier after 11.00 am will, subject to the terms of this Agreement, be issued on the following Business Day.

3.3 Documentary Credits

(a) A Trade Financier will only issue a Documentary Credit if the requested Documentary Credit:

(i) has an Opening Date which is a Business Day during the Availability Period;

(ii) has an Expiry Date which is not later than 120 days after the Opening Date and is before the Final Repayment Date;

(iii) is payable on a Business Day at the Lending Office of that Trade Financier where the Documentary Credit is issued or any other place approved by that Trade Financier in writing;

(iv) is denominated in AUD (in respect of HSBC (Australia)), HKD or USD (in respect of HSBC (HK)) or an Approved Foreign Currency;

(v) is irrevocable and non-transferable; and

(vi) is subject to the UCP,

unless otherwise agreed by that Trade Financier.

(b) A Trade Financier may pay immediately on demand (and without any prior notice to the relevant Trade Borrower) any amount demanded pursuant to the Documentary Credit despite:

(i) any dispute between the relevant Trade Borrower and any person entitled to the Documentary Credit;

(ii) any right of set-off or other claim the relevant Trade Borrower has against and any person entitled to the Documentary Credit;

(iii) any direction by the relevant Trade Borrower to that Trade Financier not to make the payment;

(iv) any breach by the relevant Trade Borrower or any person entitled to the Documentary Credit of any agreement between them; or

(v) any Event of Default or Potential Event of Default.

(c) Each Trade Borrower unconditionally and irrevocably indemnifies each Trade Financier on demand against any Claim suffered or incurred or payable by that Trade Financier arising directly or indirectly as a result of:

(i) that Trade Financier issuing or making payment under a Documentary Credit;

(ii) any claim made or purportedly made under a Documentary Credit; or

(iii) any act of any person who is or claims to be entitled to the benefit of a Documentary Credit,

whether or not the Documentary Credit may be void, voidable or unenforceable.

(d) The obligations of each Trade Borrower under section 3.3(c) are absolute and unconditional.

(e) Each Trade Borrower's obligations under section 3.3(c) are not subject to any reduction or termination or otherwise affected or in any way limited by:

(i) any failure or default on the part of the relevant Trade Financier or its employees (other than negligent failure or wilful default); or

(ii) any falsity, inaccuracy, insufficiency or forgery of or in any document which on its face conforms to the requirements of the Documentary Credit under which it is given;

(iii) any Transaction Document, Documentary Credit or agreement being invalid or being affected by any invalidity or impossibility or illegality of performance or any law or act of any Government Agency or arbitrator;

(iv) any time, waiver or other indulgence granted by the relevant Trade Financier; or

(v) any set-off, counterclaim, defence, deduction or other claim the relevant Trade Borrower has against the relevant Trade Financier or any person entitled to the Documentary Credit.

(f) Each Trade Borrower acknowledges that the Trade Financiers are not liable or under any duty to enquire:

(i) as to any of the matters referred to in this section 3.3; or

(ii) into the justification for or the validity of any demand made, or the correctness of any document given under or for the purpose of a Documentary Credit, or which purports to be so made or given under a Documentary Credit; or

(iii) the authority for, validity or genuineness of, any signature.

(g) The rights of each Trade Financier under this Schedule do not derogate from any rights of subrogation, indemnity or other rights that Trade Financier has under any law. If a conflict arises between any Trade Financier's rights under this Schedule and any other rights, that Trade Financier's rights under this Schedule prevail. Without limiting the generality of this section, each Trade Borrower agrees that no Trade Financier has any greater obligations under a Documentary Credit than are imposed by the UCP.

3.4 No liability

Each Trade Borrower holds each Trade Financier and its employees, correspondents and agents free of any liability or responsibility for the consequences arising from any ambiguity in instructions from the Trade Borrower, or in connection with any reliance placed by that Trade Financier in good faith on such message as a result of such message not having been properly authorised by the person by whom it purported to have been sent.

4. Clean Import Advance Facility

4.1 Purpose

To refinance bills drawn under Documentary Credits established under the Import Documentary Credit Facility for a maximum of 60 days inclusive of supplier terms (or such other period determined by the relevant Trade Financier to reflect local market practice and/or to match the needs and/or trade cycle of the relevant Trade Borrower).

4.2 Conditions of utilisation

A Trade Financier is not obliged to provide an advance under this Facility unless that Trade Financier has received a Funding Notice no later than 11:00 am on the proposed Funding Date.

5. Negotiation Of Discrepant Documents Under Documentary Credits ("Negotiation Advance Facility")

5.1 Purpose

To discount 100% of the face value of documents presented under export documentary credits by a Trade Borrower that contain discrepancies (with full recourse to the Trade Borrower).

5.2 Conditions of utilisation

A Trade Financier is not obliged to provide an advance under this Facility unless that Trade Financier has received a Funding Notice no later than 11:00 am on the proposed Funding Date.

6. Discounting of Export Collections and Open Account Receivables Facility ("Receivables Advance Facility")

6.1 Purpose

To discount 100% of the face value of Documentary Collections, Approved Invoices and/or Export Letters of Credit for a maximum of 30 days (or such other period determined by the

relevant Trade Financier to reflect local market practice and/or to match the needs and/or trade cycle of the relevant Trade Borrower).

6.2 Conditions of utilisation

A Trade Financier is not obliged to provide an advance in connection with Documentary Collections, Approved Invoices or an Export Letter of Credit unless that Trade Financier has received no later than 11:00 am on the Funding Date:

(a) a Funding Notice;

(b) a copy of each Documentary Collection, Approved Invoice and/or Export Letter of Credit (as the case may be);

(c) any other document or information reasonably required by that Trade Financier; and

(d) evidence that the purpose of the advance is to match the local business needs of a Group Company.

7. Interest

(a) Each Trade Borrower must pay interest to a Trade Financier in relation to each Trade Advance made to the Trade Borrower by that Trade Financier under a Trade Advance Facility:

(i) at the rate determined under section 7(b) for the Funding Period for that Trade Advance; and

(ii) in arrears on each Interest Payment Date.

(b) The rate of interest for a Funding Period is the rate of interest per annum determined by the relevant Trade Financier to be the sum of:

(i) in the case of Advances, the Base Rate for the Funding Period and the relevant Margin;

(ii) in the case of Trade Advances in Approved Currencies (other than a Trade Advance in an Approved Currency under the Negotiation Advance Facility provided by HSBC (HK)), Cost of Funds for that Funding Period and the relevant Margin; and

(i) in the case of a Trade Advance in an Approved Currency under the Negotiation Advance Facility provided by HSBC (HK), LIBOR and the relevant Margin.

(c) Interest under this section 7:

(i) accrues from day to day; and

(ii) is calculated on the basis of the actual number of days elapsed (including the first day but excluding the last) and a 360 day year for Trade Advances in USD, or 365 day year for Trade Advances in other Approved Currencies.

8. Fees

Subject to section 9, all import and export fees are notified by HSBC (Australia) and HSBC (HK) (as the case may be) to the Parent under a fee letter or fee letters substantially in the form set out in Annexure G delivered by the Trade Financiers to the Parent from time to time.

[*] Confidential Treatment Requested

9. Review of Margin, Commitment Fee and import and export fees

Each Relevant Borrower and each Guarantor consents and agrees to, and acknowledges and agrees that its respective liability under this document extends to, any variation to the Margin, the Commitment Fee and the import and export fees set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by the Trade Financier that provides the Trade Facility to the Relevant Borrower to the Parent.

[*] Confidential Treatment Requested

Schedule 3

US TRADE FACILITY

The following terms apply to the US Trade Facility and do not apply to the Australian Trade Facilities or the HK Trade Facility.

1. Definitions

In this Schedule, a reference to a section is to a section of this Schedule and unless the context requires another meaning:

Credit has the meaning given to it in the UCP;

Current Documentary Credit means a Documentary Credit the Expiry Date of which has not yet arrived or in respect of which a US Trade Borrower has not discharged all of its obligations under the UCP or this Agreement to HSBC (UK) as the corresponding issuer of that Documentary Credit;

Documentary Credit means an irrevocable documentary credit issued or to be issued by HSBC (UK) for the account of a US Trade Borrower in accordance with section 3;

Expiry Date of a Documentary Credit issued by HSBC (UK) means the expiry date specified in that Documentary Credit, following which no Claim, demand or drawing may be made on HSBC (UK) under that Documentary Credit;

Opening Date means, for a Documentary Credit, the date that Documentary Credit is, or is to be, issued; and

UCP means the Uniform Customs and Practice for Documentary Credits (7th Revision), International Chamber of Commerce Publication No. 600.

2. Trade Facility

Subject to this Agreement, HSBC (UK) agrees to provide the US Trade Borrowers with the Trade Facility described below in USD, or any other Approved Currency for the purpose and on the terms and conditions set out below and on such other terms and conditions as may be agreed from time to time between HSBC (UK) and the Parent.

3. Import Documentary Credit Facility

3.1 Purpose

To support the establishment and negotiation of sight irrevocable Documentary Credits up to a maximum of 120 days and bills drawn thereunder.

3.2 Conditions of utilisation

HSBC (UK) is not obliged to issue any Documentary Credit under this Facility unless that Trade Financier has received a Funding Notice no later than 11:00 am on the proposed Issuance Date. A Documentary Credit requested in a Funding Notice received by HSBC (UK) after 11.00 am will, subject to the terms of this Agreement, be issued on the following Business Day.

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3.3 Documentary Credits

(a) HSBC (UK) will only issue a Documentary Credit if the requested Documentary Credit:

(i) has an Opening Date which is a Business Day during the Availability Period;

(ii) has an Expiry Date which is not later than 120 days after the Opening Date and is before the Final Repayment Date;

(iii) is payable on a Business Day at the Lending Office of that Trade Financier where the Documentary Credit is issued or any other place approved by HSBC (UK) in writing;

(iv) is denominated in USD or an Approved Currency;

(v) is irrevocable and non-transferable;

(vi) is subject to the UCP; and

(vii) calls for a transport document / freight cargo receipt evidencing goods consigned / assigned to HSBC (UK),

unless otherwise agreed by HSBC (UK).

(b) HSBC (UK) may pay immediately on demand (and without any prior notice to a US Trade Borrower) any amount demanded pursuant to the Documentary Credit despite:

(i) any dispute between the relevant US Trade Borrower and any person entitled to the Documentary Credit;

(ii) any right of set-off or other claim the relevant US Trade Borrower has against and any person entitled to the Documentary Credit;

(iii) any direction by the relevant US Trade Borrower to HSBC (UK) not to make the payment;

(iv) any breach by the relevant US Trade Borrower or any person entitled to the Documentary Credit of any agreement between them; or

(v) any Event of Default or Potential Event of Default.

(c) Each US Trade Borrower unconditionally and irrevocably indemnifies HSBC (UK) on demand against any Claim suffered or incurred or payable by HSBC (UK) arising directly or indirectly as a result of:

(i) HSBC (UK) issuing or making payment under a Documentary Credit;

(ii) any claim made or purportedly made under a Documentary Credit; or

(iii) any act of any person who is or claims to be entitled to the benefit of a Documentary Credit,

whether or not the Documentary Credit may be void, voidable or unenforceable.

(d) The obligations of each US Trade Borrower under section 3.3(c) are absolute and unconditional.

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(e) Each US Trade Borrower's obligations under section 3.3(c) are not subject to any reduction or termination or otherwise affected or in any way limited by:

(i) any failure or default on the part of HSBC (UK) or its employees (other than negligent failure or wilful default); or

(ii) any falsity, inaccuracy, insufficiency or forgery of or in any document which on its face conforms to the requirements of the Documentary Credit under which it is given;

(iii) any Transaction Document, Documentary Credit or agreement being invalid or being affected by any invalidity or impossibility or illegality of performance or any law or act of any Government Agency or arbitrator;

(iv) any time, waiver or other indulgence granted by HSBC (UK); or

(v) any set-off, counterclaim, defence, deduction or other claim that US Trade Borrower has against HSBC (UK) or any person entitled to the Documentary Credit.

(f) Each US Trade Borrower acknowledges that HSBC (UK) is not liable or under any duty to enquire:

(i) as to any of the matters referred to in this section 3.3; or

(ii) into the justification for or the validity of any demand made, or the correctness of any document given under or for the purpose of a Documentary Credit, or which purports to be so made or given under a Documentary Credit; or

(iii) the authority for, validity or genuineness of, any signature.

(g) The rights of HSBC (UK) under this Schedule do not derogate from any rights of subrogation, indemnity or other rights that HSBC (UK) has under any law. If a conflict arises between HSBC (UK)'s rights under this Schedule and any other rights, HSBC (UK)'s rights under this Schedule prevail. Without limiting the generality of this section, each US Trade Borrower agrees that HSBC (UK) does not have any greater obligations under a Documentary Credit than are imposed by the UCP.

3.4 No liability

Each US Trade Borrower holds HSBC (UK) and its employees, correspondents and agents free of any liability or responsibility for the consequences arising from any ambiguity in instructions from any US Trade Borrower, or in connection with any reliance placed by HSBC (UK) in good faith on such message as a result of such message not having been properly authorised by the person by whom it purported to have been sent.

4. Fees

Subject to section 5, all import fees are notified by HSBC (UK) to the Parent under a fee letter or fee letters substantially in the form set out in Annexure G delivered by HSBC (UK) (and/or one or more other Trade Financier's) to the Parent from time to time.

5. Review of Commitment Fee and import fees

Each Relevant Borrower and each Guarantor consents and agrees to, and acknowledges and agrees that its respective liability under this document extends to, any variation to the Commitment Fee and the import fees set out in a fee letter or fee letters substantially in the

form set out in Annexure G delivered from time to time by HSBC (UK) (and/or one or more other Trade Financier's) to the Parent.

[*] Confidential Treatment Requested

Schedule 4

BANK GUARANTEE AND STANDBY LETTER OF CREDIT FACILITY

1. Definitions

In this Schedule, a reference to a section is to a section of this Schedule and unless the context requires another meaning:

Beneficiary means the person in whose favour a Bank Guarantee or a Standby Letter of Credit is, or is to be, issued by HSBC (Australia);

Bank Guarantee means a guarantee issued or to be issued to a Beneficiary under section 2;

Beneficiary Contract means any agreement between a Borrower and a Beneficiary under which an Australian Trade Borrower has an obligation to pay or repay any amount to the Beneficiary or an Australian Trade Borrower has an obligation to perform any obligation for the benefit of the Beneficiary, in connection with which that Australian Trade Borrower requests the issue of a Bank Guarantee or a Standby Letter of Credit;

Current Bank Guarantee means, in respect of a Bank Guarantee issued by HSBC (Australia), a Bank Guarantee the Expiry Date of which has not yet arrived or in respect of which an Australian Trade Borrower has not discharged all of its obligations under this Agreement to HSBC (Australia);

Current Standby Letter of Credit means, in respect of Standby Letter of Credit issued by HSBC (Australia), a Standby Letter of Credit the Expiry Date of which has not yet arrived or in respect of which an Australian Trade Borrower has not discharged all its obligations under the UCP or this Agreement to HSBC (Australia);

Establishment Fee means, in respect of a Relevant Borrower, the amount set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by HSBC (Australia) to the Parent that provides the Bank Guarantee and Standby Letter of Credit Facility to that Relevant Borrower and the Parent;

Expiry Date of a Bank Guarantee or a Standby Letter of Credit issued by HSBC (Australia) means the expiry date specified in that Bank Guarantee or the Standby Letter of Credit, following which no Claim, demand or drawing may be made on HSBC (Australia) under that Bank Guarantee or Standby Letter of Credit;

Face Value Amount means, for a Bank Guarantee or a Standby Letter of Credit issued by HSBC (Australia), the maximum undrawn amount payable by HSBC (Australia) under that Bank Guarantee or Standby Letter of Credit;

Guarantee Fee means, in respect of a Relevant Borrower, the percentage per annum set out in a fee letter or fee letters substantially in the form set out in Annexure G delivered from time to time by HSBC (Australia) to the Parent;

Opening Date means, for a Bank Guarantee or Standby Letter of Credit, the date that Bank Guarantee or Standby Letter of Credit is, or is to be, issued;

Standby Letter of Credit means a standby letter of credit issued or to be issued to a Beneficiary under section 2; and

UCP means the Uniform Customs and Practice for Documentary Credits (7th Revision), International Chamber of Commerce Publication No. 600.

2. Availability

2.1 Availability

Subject to this Agreement, an Australian Trade Borrower may, by giving it a Funding Notice in accordance with clause 4, request HSBC (Australia) to, and at that Australian Trade Borrower's request, HSBC (Australia) will, issue Bank Guarantees and Standby Letters of Credit for the account of that Australian Trade Borrower.

2.2 Conditions of utilisation

HSBC (Australia) is not obliged to issue any Bank Guarantee or Standby Letter of Credit under this Facility unless it has received a Funding Notice no later than 11:00 am on the proposed Issuance Date. A Bank Guarantee or Standby Letter of Credit requested in a Funding Notice received by HSBC (Australia) after 11.00 am will, subject to the terms of this Agreement, be issued on the following Business Day.

3. Form Of Bank Guarantees And Standby Letters Of Credit

(a) Each Bank Guarantee and Standby Letter of Credit to be issued by HSBC (Australia) must be consistent with the Funding Notice under which it is issued and in a form acceptable to HSBC (Australia) in its absolute discretion.

(b) Each Bank Guarantee and Standby Letter of Credit issued by HSBC (Australia) for the account of an Australian Trade Borrower must:

(i) have an Opening Date which is a Business Day during the Availability Period;

(ii) have an Expiry Date which is before the Final Repayment Date;

(iii) be payable on a Business Day at the Lending Office of HSBC (Australia) specified in this Agreement for that Australian Trade Borrower or any other place approved by HSBC (Australia) in writing;

(iv) be denominated in AUD or an Approved Foreign Currency;

(v) be non-transferable and not confirmed by any other person except at the cost of that Australian Trade Borrower;

(vi) be issued in respect of a Beneficiary and Beneficiary Contract acceptable to HSBC (Australia); and

(vii) in the case of a Standby Letter of Credit, be subject to UCP,

unless otherwise agreed by HSBC (Australia).

4. Beneficiary Contracts

Each Australian Trade Borrower must perform all its obligations under a Beneficiary Contract to which it is a party and do all other things necessary to ensure that a Beneficiary does not become entitled to draw on a Bank Guarantee or a Standby Letter of Credit.

5. Financier's Authority To Pay

In respect of a Bank Guarantee or Standby Letter of Credit issued by HSBC (Australia) to a Beneficiary for the account of an Australian Trade Borrower, HSBC (Australia) may pay

immediately on demand by the Beneficiary (and without any prior notice to that Australian Trade Borrower) any amount demanded by the Beneficiary pursuant to the Bank Guarantee or Standby Letter of Credit despite:

(a) any dispute between that Australian Trade Borrower and the Beneficiary;

(b) any right of set-off or other claim that Australian Trade Borrower has against the Beneficiary;

(c) any direction by that Australian Trade Borrower to HSBC (Australia) not to make the payment;

(d) any breach by that Australian Trade Borrower or the Beneficiary of a Beneficiary Contract; or

(e) any Event of Default or Potential Event of Default.

6. Payment By An Australian Trade Borrower

Each Australian Trade Borrower must pay to HSBC (Australia):

(a) all amounts which HSBC (Australia) pays or is required to pay under a Bank Guarantee or Standby Letter of Credit issued by HSBC (Australia) for the account of that Australian Trade Borrower, on the same day as HSBC (Australia) is required to make that payment; and

(b) interest on those amounts from that day calculated in accordance with clause 15.1.

7. Indemnity

Each Australian Trade Borrower unconditionally and irrevocably indemnifies HSBC (Australia) on demand against any Claim suffered or incurred or payable by HSBC (Australia) arising directly or indirectly as a result of:

(a) HSBC (Australia) issuing or making payment under a Bank Guarantee or Standby Letter of Credit; or

(b) any claim made or purportedly made under a Bank Guarantee or Standby Letter of Credit; or

(c) any act of any person who is or claims to be entitled to the benefit of a Bank Guarantee or Standby Letter of Credit,

whether or not the Bank Guarantee or Standby Letter of Credit may be void, voidable or unenforceable.

(a) The obligations of each Australian Trade Borrower under this section 7 are absolute and unconditional.

(b) Each Australian Trade Borrower's obligations under this section 7 are not subject to any reduction or termination or otherwise affected or in any way limited by:

(i) any failure or default on the part of HSBC (Australia) or its employees (other than negligent failure or wilful default); or

(ii) any falsity, inaccuracy, insufficiency or forgery of or in any document which on its face conforms to the requirements of the Bank Guarantee or Standby Letter of Credit under which it is given;

(iii) any Transaction Document, Beneficiary Contract, Bank Guarantee or Standby Letter of Credit being invalid or being affected by any invalidity or impossibility or illegality of performance or any law or act of any Government Agency or arbitrator;

(iv) any time, waiver or other indulgence granted by HSBC (Australia); or

(v) any set-off, counterclaim, defence, deduction or other claim that an Australian Trade Borrower has against HSBC (Australia) or a Beneficiary.

(c) Each Australian Trade Borrower acknowledges that HSBC (Australia) is not liable or under any duty to enquire:

(i) as to any of the matters referred to in this section 7; or

(ii) into the justification for or the validity of any demand made, or the correctness of any document given under or for the purpose of a Bank Guarantee, or which purports to be so made or given under a Bank Guarantee; or

(iii) the authority for, validity or genuineness of, any signature.

8. No Limitation On Other Rights

HSBC (Australia)'s rights under this Schedule do not derogate from any rights of subrogation, indemnity or other rights that it has under any law. If a conflict arises between HSBC (Australia)'s rights under this Schedule and any other rights, its rights under this Schedule prevail.

9. Fees

9.1 Guarantee Fee

Each Australian Trade Borrower must pay to HSBC (Australia) a non-refundable Guarantee Fee on the Face Value Amount of each Bank Guarantee and Standby Letter of Credit requested by that Australian Trade Borrower to be issued by HSBC (Australia). The Guarantee Fee:

(a) accrues from day to day;

(b) is calculated from the date of issue of the Bank Guarantee or Standby Letter of Credit; and

(c) must be paid to HSBC (Australia) quarterly in advance with the first payment made on or before the date of issue of the Bank Guarantee or the Standby Letter of Credit by HSBC (Australia).

9.2 Establishment Fee

Each Australian Trade Borrower must pay to HSBC (Australia) a non-refundable establishment fee on each Bank Guarantee or Standby Letter of Credit requested by that Australian Trade Borrower to be issued by HSBC (Australia). The Establishment Fee is payable on or before the date of issue of the Bank Guarantee or Standby Letter of Credit.

[*] Confidential Treatment Requested

10. Review of Guarantee Fee and Establishment Fee

Each Australian Trade Borrower and each Guarantor consents and agrees to, and acknowledges and agrees that its respective liability under this document extends to, any variation to the Guarantee Fee and the Establishment Fee set out in each fee letter substantially in the form set out in Annexure G delivered from time to time by HSBC (Australia) to the Parent.

[*] Confidential Treatment Requested

Schedule 5

HEDGING FACILITY

The parties acknowledge and agree that:

(a) at the request of the Parent and on an unadvised and uncommitted basis:

(i) HSBC (Australia) has agreed to provide to the Australian Borrowers a "Foreign Exchange Limit" for spot and forward foreign currency transactions on the terms and conditions of a master agreement for foreign currency transaction in the form agreed between HSBC (Australia) and the Australian Borrowers;

(ii) HSBC (HK) may, subject to HSBC (HK) obtaining all necessary credit and other local approvals and all necessary documentation being entered into in form and substance satisfactory to HSBC (HK), provide appropriate limits to the HK Trade Borrower to hedge against its foreign currency and interest rate exposures;

(iii) HSBC (UK) may, subject to HSBC (UK) obtaining all necessary credit and other local approvals and all necessary documentation being entered into in form and substance satisfactory to HSBC (UK), provide appropriate limits to the UK Borrowers to hedge against its foreign currency and interest rate exposures; and

(iv) HSBC (US) may, subject to HSBC (US) obtaining all necessary credit and other local approvals and all necessary documentation being entered into in form and substance satisfactory to HSBC (US), provide appropriate limits to the US Borrowers to hedge against its foreign currency and interest rate exposures,

in each case, to assist with the Group's hedging and derivative instrument requirements;

(b) the pricing for each Hedging Facility described in paragraph (a) above will be determined by the Financier that provides that Hedging Facility; and

(c) unless otherwise agreed between HSBC (Australia) and the Parent, the tenor for each Hedging Facility provided by HSBC (Australia) to the Australian Borrowers will have a maximum length of two calendar years.

[*] Confidential Treatment Requested

EXECUTED as an agreement.

SIGNED for **HSBC BANK AUSTRALIA LIMITED** under power of attorney in the presence of:

	Signature of attorney
Signature of witness	Name
Name	Date of power of attorney

SIGNED for **HSBC BANK PLC** under power of attorney in the presence of:

	Signature of attorney
Signature of witness	Name
Name	Date of power of attorney

SIGNED for **HSBC BANK USA, NATIONAL ASSOCIATION** under power of attorney in the presence of:

	Signature of attorney
Signature of witness	Name
Name	Date of power of attorney

[*] Confidential Treatment Requested

SIGNED for **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** under power of attorney in the presence of:

	Signature of attorney
Signature of witness	Name
Name	Date of power of attorney

Borrower/Guarantor
EXECUTED by **SIMS GROUP AUSTRALIA HOLDINGS LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Borrower/Guarantor
EXECUTED by **SIMS METAL MANAGEMENT LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

[*] Confidential Treatment Requested

Borrower/Guarantor
EXECUTED by **SIMS GROUP UK HOLDINGS LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Borrower/Guarantor
EXECUTED by **SIMS GROUP UK LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Borrower/Guarantor
EXECUTED by
SIMS GROUP USA CORPORATION
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by **SIMS INDUSTRIAL PTY LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

[*] Confidential Treatment Requested

Guarantor
EXECUTED by **SIMSMETAL SERVICES PTY. LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Guarantor
EXECUTED by **SIMS ENERGY PTY LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Guarantor
EXECUTED by **SIMS MANUFACTURING PTY LIMITED**:

Signature of director	Signature of director/secretary
Name	Name

Guarantor
EXECUTED by **SIMSMETAL HOLDINGS PTY. LTD.**:

Signature of director	Signature of director/secretary
Name	Name

[*] Confidential Treatment Requested

Borrower/Guarantor
THE COMMON SEAL OF SIMS METAL MANAGEMENT ASIA LIMITED (PREVIOUSLY KNOWN AS SIMS ASIA HOLDINGS LIMITED):

_____
Signature of witness

_____
Name of witness

Borrower/Guarantor
EXECUTED by
METAL DYNAMICS DETROIT LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT ALABAMA, INC.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT ARIZONA, L.L.C.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT CONNECTICUT, INC.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT MEMPHIS, L.L.C.
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT MIDWEST, INC.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT MISSISSIPPI, INC.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT NORTHEAST, INC.
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT OHIO, INC.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT WEST, INC.
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
METAL MANAGEMENT, INC.
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Borrower/Guarantor
EXECUTED by
PROLER SOUTHWEST LP
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by **MIREC BV**:

Signature of director

Name

Signature of director

Name

Guarantor
EXECUTED by
CIM TRUCKING, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
HNE RECYCLING LLC
by its officer:

Signature of officer

Name of officer

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
HNW RECYCLING LLC
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
TH PROPERTIES LLC (formerly known as METAL DYNAMICS INDIANAPOLIS LLC)
by its officer:

Signature of officer

Name of officer

Guarantor
EXECUTED by
METAL DYNAMICS LLC
by its officer:

Signature of officer

Name of officer

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
METAL MANAGEMENT INDIANA, INC.
by its officer:

Signature of officer

Name of officer

Guarantor
EXECUTED by
METAL MANAGEMENT PITTSBURGH, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
METAL MANAGEMENT PROLER SOUTHWEST, INC.
by its officer:

Signature of director

Name

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
SMM — NORTH AMERICA TRADE CORPORATION
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
METAL MANAGEMENT WEST COAST HOLDINGS, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
MM METAL DYNAMICS HOLDINGS, INC.
by its officer:

Signature of officer

Name of officer

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
NAPORANO IRON & METAL, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
NEW YORK RECYCLING VENTURES, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
NORTH CAROLINA RESOURCE CONSERVATION, LLC
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
PROLER SOUTHWEST GP, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
RESERVE IRON & METAL LIMITED PARTNERSHIP
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SCHIABO LAROVO CORPORATION
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
SHN CO., LLC
by its officer:

Signature of officer

Name of officer (please print)

Borrower/Guarantor
EXECUTED by
SIMS GROUP GLOBAL TRADE CORPORATION
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SIMS GROUP USA HOLDINGS CORPORATION
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
SIMSMETAL EAST LLC
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SIMSMETAL WEST LLC
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by **SIMSMETAL INDUSTRIES LIMITED**:

Signature of director	Signature of director
Name	Name

[*] Confidential Treatment Requested

Borrower/ Guarantor
EXECUTED by **SIMS M+R GMBH**:

Signature of director	Signature of director/secretary
Name	Name

Guarantor
EXECUTED by
SIMS RECYCLING SOLUTIONS HOLDINGS INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SIMS RECYCLING SOLUTIONS, INC.
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
METAL MANAGEMENT NEW HAVEN, INC.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SIMS GROUP RECYCLING SOLUTIONS CANADA LTD.
by its officer:

Signature of officer

Name of officer (please print)

Guarantor
EXECUTED by
SIMS GROUP CANADA HOLDINGS LIMITED
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Guarantor
EXECUTED by
SIMS RECYCLING SOLUTIONS AB
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Borrower / Guarantor
EXECUTED by
SIMS GROUP GERMAN HOLDINGS GMBH
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Guarantor
EXECUTED by
SIMS MUNICIPAL RECYCLING OF NEW YORK LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Annexure A

GROUP COMPANIES

PART 1 BORROWERS

Company Name	Registered Number	Registered Office	Place of Incorporation
Australian Borrowers			
Sims Group Australia Holdings Limited	ABN 37 008 634 526	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	ACT, Australia
Sims Metal Management Limited	ABN 69 114 838 630	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	VIC, Australia
Australian Trade Borrowers			
Sims Group Australia Holdings Limited	ABN 37 008 634 526	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	ACT, Australia
Sims Metal Management Limited	ABN 69 114 838 630	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	VIC, Australia
UK Borrowers			
Sims Group UK Holdings Limited	2904307	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
Sims Group UK Limited	3242331	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
Mirec BV	N/A	Hastelweg 251, 5652CV, Eindhoven, The Netherlands	The Netherlands

Confidential treatment requested for redacted (circled) portions; redated (circled) portions has been filed separately with the Securities and Exchange Commission.

Company Name	Registered Number	Registered Office	Place of Incorporation
US Trade Borrower			
Sims Group Global Trade Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
US Borrowers			
Sims Group USA Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Dynamics Detroit LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Alabama, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Arizona, L.L.C.	N/A	c/o CT Corporation System 2394 East Camelback Road Phoenix, AZ 850	Arizona, USA
Metal Management Connecticut, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Memphis, L.L.C.	N/A	c/o Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	Tennessee, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management Midwest, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Metal Management Mississippi, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Northeast, Inc.	N/A	c/o Corporation Service Company 830 Bear Tavern Road West Trenton, NJ 08628	New Jersey, USA
Metal Management Ohio, Inc.	N/A	c/o CSC-Lawyers Incorporating Service (Corporation Service Company) 50 W. Broad St Suite 1800 Columbus, OH 43215	Ohio, USA
Metal Management West, Inc.	N/A	c/o Corporation Service Company 1560 Broadway, Suite 2090, Denver, CO 80202	Colorado, USA
Metal Management, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Proler Southwest LP	N/A	c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street Suite 620 Austin, TX 78701	Texas, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
HK Trade Borrower			
Sims Metal Management Asia Limited (previously known as Sims Asia Holdings Limited)	30512	5407-8, 54th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong	Hong Kong
Germany			
Sims M+R GmbH	N/A	Rathenaustraβe 10, 59192 Bergkamen, Germany	Germany
Sims Group German Holdings GmbH	N/A	Rathenaustraβe 10, 59192 Bergkamen, Germany	Germany

PART 2 GUARANTORS

Company Name	Registered Number	Registered Office	Place of Incorporation
Australia			
Sims Energy Pty Limited	ABN 42 009 667 752	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	QLD, Australia
Sims Group Australia Holdings Limited	ABN 37 008 634 526	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	ACT, Australia
Sims Metal Management Limited	ABN 69 114 838 630	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	VIC, Australia
Sims Industrial Pty Limited	ABN 95 000 090 479	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	NSW, Australia
Sims Manufacturing Pty Limited	ABN 13 004 332 870	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	VIC, Australia

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Simsmetal Holdings Pty. Ltd.	ABN 97 000 021 563	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	NSW, Australia
Simsmetal Services Pty. Limited	ABN 76 000 166 987	'Sir Joseph Banks Corporate Part' Suite 3, Level 2, 32 Lord Street, Botany NSW 2019	NSW, Australia
The Netherlands			
Mirec BV	N/A	Hastelweg 251, 5652CV, Eindhoven, The Netherlands	The Netherlands
New Zealand			
Simsmetal Industries Limited	3597	James Fletcher Drive Otahuhu, Auckland, New Zealand	New Zealand
Germany			
Sims M+R GmbH	N/A	Rathenaustraβe 10, 59192 Bergkamen, Germany	Germany
Sims Group German Holdings GmbH	N/A	Rathenaustraβe 10, 59192 Bergkamen, Germany	Germany
United Kingdom			
Sims Group UK Holdings Limited	2904307	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
Sims Group UK Limited	3242331	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	United Kingdom
United States of America			
Sims Group USA Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
CIM Trucking, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
HNE Recycling LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
HNW Recycling LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Dynamics Detroit LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
TH Properties LLC (formerly known as Metal Dynamics Indianapolis LLC)	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Dynamics LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Alabama, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management Arizona, L.L.C.	N/A	c/o CT Corporation System 2394 East Camelback Road Phoenix, AZ 85016	Arizona, USA
Metal Management Connecticut, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Indiana, Inc.	N/A	c/o Prentice Hall Corporation 33 North LaSalle Street Chicago, IL 60602	Illinois, USA
Metal Management Memphis, L.L.C.	N/A	c/o Corporation Service Company 2908 Poston Avenue Nashville, TN 37203	Tennessee, USA
Metal Management Midwest, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Metal Management Mississippi, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management New Haven, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Northeast, Inc.	N/A	c/o Corporation Service Company 830 Bear Tavern Road West Trenton, NJ 08628	New Jersey, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management Ohio, Inc.	N/A	CSC-Lawyers Incorporating Service (Corporation Service Company) 50 W. Broad St Suite 1800 Columbus, OH 43215	Ohio, USA
Metal Management Pittsburgh, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management Proler Southwest, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
SMM — North America Trade Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management West Coast Holdings, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Metal Management West, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Colorado, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Metal Management, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
MM Metal Dynamics Holdings, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Naporano Iron & Metal, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
New York Recycling Ventures, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
North Carolina Resource Conservation, LLC	N/A	c/o Corporation Service Company 327 Hillsborough Street Raleigh, NC 27603	North Carolina, USA
Proler Southwest GP, Inc.	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Proler Southwest LP	N/A	c/o Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street Suite 620 Austin, TX 78701	Texas, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Reserve Iron & Metal Limited Partnership	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Schiabo Larovo Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
SHN Co., LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Group Global Trade Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Group USA Holdings Corporation	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Recycling Solutions Holdings Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Simsmetal East LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Simsmetal West LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Sims Recycling Solutions, Inc.	N/A	c/o Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Illinois, USA
Sims Municipal Recycling of New York LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware, USA
Hong Kong			
Sims Metal Management Asia Limited (previously known as Sims Asia Holdings Limited)	30512	5407-8, 54th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong	Hong Kong
Canada			
Sims Group Recycling Solutions Canada Ltd.	N/A	1200-999 West Hastings Street, Vancouver, British Columbia V6C 2W2, Canada	Canada
Sims Group Canada Holdings Limited	N/A	Suite 2300, 550 Burrard Street, Box 30, Vancouver, British Columbia V6C 2B5, Canada	Canada
Sweden			
Sims Recycling Solutions AB	N/A	Karosserigatan 6 641 51 Katrineholm Sweden	Sweden

[*] Confidential Treatment Requested

PART 3 — GROUP (OTHER MEMBERS)

Company Name	Registered Number	Registered Office	Place of Incorporation
Sims Aluminium Pty Limited	ABN 93 004 370 905	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	VIC, Australia
Sims Tyrecycle Pty Limited	ABN 84 085 545 053	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	VIC, Australia
Sims Tyrecycle Properties Pty Limited	ABN 87 085 580 712	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	VIC, Australia
Universal Inspection and Testing Company Pty Limited	ABN 14 000 554 656	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
LMS Energy Pty Limited	ABN 19 090 914 640	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	SA, Australia
LMS Generation Pty Limited	ABN 39 059 428 474	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	SA, Australia
Consolidated Extrusions Pty Limited	ABN 37 003 173 484	Crane Group Limited Level 14, Philips House 15 Blue Street North Sydney NSW 2060	NSW, Australia
Consolidated Extrusions (Management) Pty Limited	ABN 24 003 123 573	Crane Group Limited Level 14, Philips House 15 Blue Street North Sydney NSW 2060	NSW, Australia

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Australian Refined Alloys Pty Limited	ABN 36 001 463 127	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Australian Refined Alloys (Sales) Pty Limited	ABN 59 002 815 563	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Sims E-Recycling Pty Ltd	ACN 114 176 493	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Simsmetal Executive Staff Superannuation Pty Ltd	ACN 069 238 937	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Simsmetal Staff Equity Pty Limited	ABN 98 052 893 259	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Sims Superannuation Management Pty Limited	ACN 000 966 478	Level 6, Sims Group House 41 McLaren Street North Sydney NSW 2060	NSW, Australia
Sims Group Mauritius Limited	N/A	Citco (Mauritius) Limited 9th Floor, Medine Mews La Chaussée Street Port Louis	Mauritius
Trishyiraya Recycling India Private Limited	N/A	A-7, Phase- I, Madras Export Processing Zone-SEZ, Tambaram, Chennai- 600045	India
Sims Recycling Solutions Pte Ltd	N/A	12 Changi North Way, Unit 01-06, Singapore 98791.	Singapore

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
United Castings Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
Sims Group UK Intermediate Holdings Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
Sims Recycling Solutions UK Holdings Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	Scotland
Sims Recycling Solutions UK Group Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	Scotland
Sims Recycling Solutions NV	N/A	56 Industriepark-West, 9011, Sint-Niklaas, Belgium	Belgium
Sims Recycling Solutions UK Limited	N/A	Irongray Business Park Lochside Industrial Estate Dumfries DG2 ONR	Scotland
Sims Group UK Pension Trustees Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
Sims Cymru Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
ER Coley (Steel) Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
Recommit Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK
ER Coley (Cast) Limited	N/A	Long Marston Stratford-on-Avon Warwickshire CV37 8AQ	UK

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
Extruded Metals (New Zealand) Limited	N/A	Level 11, KPMG Centre, 9 Princes Street, Auckland, New Zealand	New Zealand
Sims Pacific Metals Limited	N/A	James Fletcher Drive, Otahuhu, Auckland, New Zealand	New Zealand
PNG Recycling Limited	N/A	PO Box 3467, Boroko, Section 36, Lot 9110, Waigani Drive, Hohola, PNG	Papua New Guinea
IKISE Geri Donusum Sanayi ve Ticaret Limited Sirketi	N/A	Barbaros Bulvari No 12/1 D:10 Balmumcu Besiktas 34349 Istanbul Turkey	Turkey
Accu-Shred Limited	N/A	1200-999 West Hastings Street, Vancouver, British Columbia V6C 2W2	Canada
Richmond Steel Recycling Limited	N/A	11760 Mitchell Road, Richmond, Canada V6V 1V6	Canada
Metal Management Aerospace, Inc.	N/A	500 Flatbush Ave. Hartford, CT 06141	Delaware
Metal Management Nashville, LLC	N/A	1840 Linder Industrial Dr. Nashville, TN 37209	Delaware
Port Albany Ventures, LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware
Rondout Iron & Metal, LLC	N/A	1501 Rockland Road Lake Bluff, IL 60044	Delaware
Dover Barge Company	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
SA Recycling LLC	N/A	Corporation Service Company, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833	Delaware
T&L Properties Corporation	N/A	Corporation Service Company, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833	California
American Metals Recycling Corp.	N/A	Corporation Service Company, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833	California
Colton Iron & Metal, LLC	N/A	c/o Corporation Service Company 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Delaware
Oxnard Metals Corporation	N/A	Corporation Service Company, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833	California
Lancaster Recycling, LLC	N/A	Corporation Service Company, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833	California
Remedy Environmental Services LLC	N/A	George Adams, 3200 East Frontera Street, Anaheim, CA 92807	California
Las Vegas Metals Recycling, LLC	N/A	CSC Services company of Nevada, 502 East John Street, Carson City, NV 89706	Nevada

[*] Confidential Treatment Requested

Company Name	Registered Number	Registered Office	Place of Incorporation
SA Recycling de Mexico S. de R.L. de C.V.	N/A	Flavio Diego Sandoval Gonzalez, Alvaro Obregon #1525-5 2do Piso, Col. Nueva C.P. 21100	Mexico
SA Recycling de Mexico Noroeste S. de R.L. de C.V.	N/A	Flavio Diego Sandoval Gonzalez, Alvaro Obregon #1525-5 2do Piso, Col. Nueva C.P. 21100	Mexico

[*] Confidential Treatment Requested

Annexure B

FINANCIERS

Financier Name	Registered Number	Lending Office
In relation to the Australian Borrowers, UK Borrowers, US Borrowers and German Borrowers		
HSBC Bank Australia Limited	ABN 48 006 434 162	Level 31, 580 George Street Sydney NSW 2000 Australia
HSBC Bank plc	14259	City Corporate Banking Centre, 60 Queen Victoria Street, London, EC4N 4TR
HSBC Bank USA, National Association	N/A	452 Fifth Avenue, New York, New York 10018 USA
In relation to the Australian Trade Borrowers		
HSBC Bank Australia Limited	ABN 48 006 434 162	Level 31, 580 George Street Sydney NSW 2000 Australia
In relation to the HK Trade Borrower		
The Hongkong and Shanghai Banking Corporation Limited	ABN 65 117 925 970	Level 10, 1 Queens Road, Central Hong Kong
In relation to the US Trade Borrower		
HSBC Bank plc	14259	City Corporate Banking Centre, 60 Queen Victoria Street, London, EC4N 4TR

[*] Confidential Treatment Requested

Annexure C

CAF FINANCIERS

Financier Name	Registered Number	Lending Office
HSBC Bank Australia Limited	ABN 48 006 434 162	Level 31, 580 George Street Sydney NSW 2000 Australia
HSBC Bank plc	14259	City Corporate Banking Centre, 60 Queen Victoria Street, London, EC4N 4TR
HSBC Bank USA, National Association	N/A	452 Fifth Avenue, New York, New York 10018 USA

Confidential treatment requested for redacted (circled) portions; redated (circled) portions has been filed separately with the Securities and Exchange Commission.

Annexure D

FUNDING NOTICE

To: [Financier's name]

And to: HSBC Bank Australia Limited *[in the case where the Financier to the Relevant Borrower is not HSBC Bank Australia Limited]*

[date]

Dear Sirs

Multi-Option Facility Agreement dated 3 December 2003, as amended from time to time (the "Facility Agreement")

We refer to the Facility Agreement and give irrevocable notice that we request the following drawings.

Terms defined in the Facility Agreement have the same meaning in this Funding Notice.

1. The proposed Funding Date/Issuance Date is [specify date].
2. The Facilities under which the financial accommodation is requested: [Cash Advance Facility /Trade Finance Facility].
3. Particulars of the financial accommodation requested are as follows [*as applicable*]:
   (a) Cash Advance Facility
   Amount: [ ]
   Currency: AUD/USD/GBP]
   Funding Period: [ ]
   (b) Bank Guarantee Facility / Standby Letter of Credit Facility
   Face Value Amount: [ ]
   Currency: [AUD/USD/GBP/HKD]
   Beneficiary:
   Details of Beneficiary Contract:
   Funding Period:
   Expiry Date:
   A copy of the Beneficiary Contract is enclosed.

[*] Confidential Treatment Requested

Annexure E

CONDITION PRECEDENT CERTIFICATE

To: [Financier's name] (the **Financier**)

This condition precedent certificate is given on [specify date] under clause 3.1 of the Multi-Option Facility Agreement (the **Facility Agreement**) dated 3 December 2003 between, among others, [Obligor's name] and the Financier, as amended from time to time. Terms defined in the Facility Agreement have the same meaning in this condition precedent certificate.

I, [ ], being [a director/secretary] of [name of Obligor] (the **Company**), certify as follows:

1. Documents

True, complete and up to date copies of each of the following are attached to this Certificate:

(a) In the case where the Company is incorporated in Australia, the certificate of registration/incorporation [as applicable], the constitution/memorandum and articles of association/by-laws [as applicable] and all other constitutional documents of the Company (marked "A");

(b) an extract of minutes (marked "B") of a duly convened meeting of the directors of the Company confirming that the directors have passed resolutions:

(i) approving execution of each Transaction Document to which it is a party;

(ii) appointing Authorised Officers for the purpose of the Transaction Documents; and

(iii) acknowledging that each Transaction Document to which it is a party will benefit the Company;

which minutes are in full force and effect and have not been varied or revoked;

2. Specimen Signatures

The following signatures are the true and usual signatures of the Authorised Officers of the Company authorised to sign the Transaction Documents to which the Company is a party and to give notices and other communications under or in connection with those Transaction Documents:

	Name	**Title**	**Signature**
(a)	_____	_____	_____
(b)	_____	_____	_____
(c)	_____	_____	_____

(The following section only needs to be completed if the Company is incorporated in Australia)

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3. Replaceable rules/Section 135 of the *Corporations Act 2001* (Cth) (the "*Corporations Act*")

The Company does have a constitution and all of the provisions of the *Corporations Act* that apply as mandatory rules and the following provisions of the *Corporations Act* that apply as replaceable rules apply to the Company and its internal management:

none

Signed: _____

Director/Secretary

[*] Confidential Treatment Requested

Annexure F

ACCESSION DEED

This Accession Deed is made on the [ ] day of [ ], [ ] under the Multi-Option Facility Agreement (the **Facility Agreement**) dated 3 December 2003 between (amongst others) Sims Group Australia Holdings Limited as borrower and HSBC Bank Australia Limited as financier, as amended from time to time.

Between

[Insert New Borrower's Name] (ACN [insert New Borrower's ABN number or equivalent]) of [insert New Borrower's Address] (the **New Borrower**)

And

Sims Metal Management Limited (ACN 114 838 630) of Level 6, Simsmetal House, 41 McLaren Street, North Sydney, NSW, 2060 (the **Parent**).

And

HSBC Bank Australia Limited (ABN 48 006 434 162) of Level 31, 580 George Street, Sydney, NSW, HSBC Bank plc of [ ], HSBC Bank USA, National Association of [ ] and The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970) (the **Financiers**).

1. Definitions And Interpretation

1.1 Definitions

Accession Date means the later of:

(a) [insert a date later to the date in (b) if appropriate]; and

(b) the date on which this Accession Deed, executed by the New Borrower and the Parent, is executed by or on behalf of the Financiers.

1.2 Interpretation

(a) A term defined in the Facility Agreement has the same meaning when used in this Accession Deed unless defined to have a different meaning in this Accession Deed.

(b) Clause 1.2 of the Facility Agreement applies to this Accession Deed.

(c) In this Accession Deed, a reference to obligations or rights being identical to other obligations or rights is a reference to obligations or rights identical to those other obligations or rights except to the extent they relate to the identity of the person required to perform them or entitled to their benefit.

2. Accession

2.1 Accession

With effect on and from the Accession Date:

(a) the New Borrower:

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(i) is bound by the terms of the Transaction Documents to which the Borrowers and Guarantors are parties;

(ii) assumes towards each other party to the Transaction Documents obligations under the Transaction Documents which are identical to the obligations which a Borrower and a Guarantor is required to perform;

(iii) must observe and comply with the obligations of a Borrower and a Guarantor under the Transaction Documents;

(iv) is granted rights under the Transaction Documents which are identical to the rights which a Borrower and a Guarantor has under the Transaction Documents; and

(v) is a party to the Transaction Documents as a Borrower and a Guarantor;

(b) each other party to the Facility Agreement acquires rights against and assumes obligations towards the New Borrower which are identical to the rights and obligations which it has or is required to perform under the Transaction Documents to a Borrower and a Guarantor; and

(c) a reference in the Transaction Documents to a "Borrower" and a "Guarantor" includes a reference to the New Borrower.

3. Acknowledgments

3.1 Borrower

The New Borrower acknowledges that it will be an [Australian Borrower/UK Borrower/US Borrower] for the purposes of the Facility Agreement.

3.2 Parent

The Parent on its behalf and on behalf of each Guarantor acknowledges and agrees that the Amount Owing by the New Borrower is guaranteed by the Guarantors under clause 22 of the Facility Agreement.

3.3 Representations and warranties

The New Borrower makes the same representations and warranties in respect of itself that each Borrower and Guarantor has made in, or in connection with, the Transaction Documents and confirms that those representations and warranties are, at the Accession Date, true and not misleading in any material respect, by omission or in any other way.

3.4 Information

The New Borrower:

(a) confirms that it has received a copy of the Transaction Documents together with any other documents and information it has required in connection with the Facility Agreement; and

(b) acknowledges that the Financier has entered into this Accession Deed in reliance on the representations and warranties made by the New Borrower in this Accession Deed.

3.5 No liability

(a) The New Borrower confirms that it has not relied on the Financier to assess or inform it as to:

(i) the legality, validity, effect or enforceability of any Transaction Document against any party;

(ii) the accuracy or completeness of any information referred to in clause 3.4 of this Accession Deed; or

(iii) the creditworthiness, affairs, condition or status of any of the parties to the Transaction Documents.

(b) The New Borrower agrees that the Financiers have not or will not have any liability or obligation to the New Borrower for the accuracy or completeness of the information or documents provided to it under clause 3.4 of this Accession Deed, and that any condition or warranty in relation to any of those matters, whether express or implied by law or in any other way, is excluded.

4. Miscellaneous

4.1 Transaction Document

This Accession Deed is a Transaction Document for the purposes of the Facility Agreement.

4.2 Counterparts

This Accession Deed may be signed in counterparts and all counterparts taken together constitute one document.

4.3 Governing law

This Accession Deed is governed by the laws applying in New South Wales.

[*] Confidential Treatment Requested

Annexure G

PRO FORMA FEE LETTER

To: Sims Metal Management Limited ACN 114 838 630
[***insert address***]

Attention: [***insert name***]

With a copy to: [***insert address of the relevant Borrowers***]

Date: [***insert date***]

Dear Sirs

AMENDED AND RESTATED MULTI OPTION FACILITY AGREEMENT — FEE LETTER

We refer to the document entitled "Multi Option Facility Agreement" dated 3 December 2003 between, amongst others, Sims Metal Management Limited ACN 114 838 630 (formerly Sims Group Limited) (**Sims**) and HSBC Bank Australia Limited ABN 48 006 434 162, as amended from time to time (**Facility Agreement**).

1. Definitions and Interpretation

1.1 A term defined in clause 1.1 of the Facility Agreement has the same meaning when used in this fee letter unless stated otherwise in this fee letter.

1.2 Clause 1.2 of the Facility Agreement is incorporated into this fee letter as if set out in this fee letter in full and as if all references in that provision to "this Agreement" were to this fee letter.

1.3 The provisions of the Facility Agreement will apply to this fee letter.

1.4 This fee letter is a Transaction Document [and is issued pursuant to clause 9.5 of the Facility Agreement]*.

1.5 This fee letter is entered into in connection with the [Cash Advance Facility][Trade Facilities][Bank Guarantee and Standby Letter of Credit Facility]*.

2. [Margin under [Cash Advance Facility][Trade Facilities]*] ∗

[***Include details of any changes to the Margin payable in connection with the Facility Agreement***]

3. [Fees]

[***Include details of any changes to the fees payable in connection with the Facility Agreement***]

4. Change in the Margin and/or Fees

Any change in the Margin or fees set out above will apply with effect from the date specified in clause 9.5 of the Facility Agreement.

---

* delete as appropriate

[*] Confidential Treatment Requested

5. Confidentiality

This fee letter must not be disclosed by Sims to any entity or person except as may be required by law or to Sims' employees and legal and financial advisers who have a need to know the information and who are made aware of and agree to be bound by the confidentiality obligation under this paragraph.

6. Counterparts

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales.

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

Yours faithfully

[***insert execution clause for the Financiers (as applicable)***]

To: [***insert name of each Financier***]

We hereby confirm and agree to the terms of this fee letter as set out above.

_____

for and on behalf of **Sims Metal Management Limited** ACN 114 838 630

Name:

Capacity:

Date:

[*] Confidential Treatment Requested

Executed as a deed.

Exhibit 4.14

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Strictly Private and Confidential

To: Sims Metal Management Limited ACN 114 838 630
Suite 1202
Level 12, 65 Berry Street
North Sydney NSW 2080

Attention: Peter Ricketts

Date: 13 December 2009

Dear Sirs

AMENDED AND RESTATED MULTI OPTION FACILITY AGREEMENT — FEE LETTER

We refer to the document entitled "Multi Option Facility Agreement" dated 3 December 2003 between, amongst others, Sims Metal Management Limited ACN 114 838 630 (formerly Sims Group Limited) (**Sims**) and HSBC Bank Australia Limited ABN 48 006 434 162, as amended from time to time (**Facility Agreement**).

1. Definitions and Interpretation

1.1 A term defined in clause 1.1 of the Facility Agreement has the same meaning when used in this fee letter unless stated otherwise in this fee letter.

1.2 Clause 1.2 of the Facility Agreement is incorporated into this fee letter as if set out in this fee letter in full and as if all references in that provision to "this Agreement" were to this fee letter.

1.3 The provisions of the Facility Agreement will apply to this fee letter.

1.4 This fee letter is a Transaction Document.

1.5 This fee letter is entered into in connection with the Cash Advance Facility, the Trade Facilities and the Bank Guarantee and Standby Letter of Credit Facility.

2. Margin under Cash Advance Facility

The Margin referred to in section 1 of Schedule 1 of the Facility Agreement in relation to the Cash Advance Facility is based upon the following table;

Debt / EBITDA	Margin	Commitment Fee ([*] of Margin)
[*]	[*]	[*]

[*] Confidential Treatment Requested

3. Fees

3.1 **[*]**

3.2 **Commitment Fee**

(a) The Commitment Fee referred to in clause 10.5 of the Facility Agreement is **[*]** of the applicable margin per annum, as set out in 2 above.

3.3 **Establishment Fee**

(a) The Establishment Fee referred to in section 1 of Schedule 3 of the Facility Agreement in relation to the Bank Guarantee and Standby Letter of Credit Facility is AUD100, effective on and from 1 May 2009.

3.4 **Guarantee Fee**

(a) The Guarantee Fee referred to in section 1 of Schedule 3 of the Facility Agreement in relation to the Bank Guarantee and Standby Letter of Credit Facility is equal to the margin, as set out in 2 above, per annum.

3.5 **Trade Facility Fees and Margins**

Effective on and from 12 May 2009 the Margin referred to in section 1 of Schedule 2 and the import and export fees referred to in section 8 of Schedule 2 of the Facility Agreement in relation to the Trade Facilities are as follows:

Import Tariff:

LC Opening/Negotiation:	0.20% (min. USD65)
CILE:	0.05% (min. USD30)
Bankers Acceptance (under Usance LC):	0.05% per month (min. USD45)
Amendments (% of face value):	0.20% (min. USD45)
Reimbursement (borne by Bene wherever possible):	USD65 per negotiation
Bill Collection:	0.10% (min. USD65; max. USD125)
CIL:	LIBOR + 1.275%

[*] Confidential Treatment Requested

Export Tariff:

LC Advising:	USD20
LC Negotiation (Document Examination):	0.10% (min. USD65, max. USD250)
CILE:	0.05% (min. USD30)
Amendments:	USD25
Courier/SWIFT:	At cost
Bill Collection	0.10% (min USD65; max USD125)
Interest rate for gill discounting provided by HSBC (HK):	LIBOR + 1.275%*
Interest rate for Bill discounting provided by HSBC (Australia):	Calculated on a case by case basis

---

* 1.275% is charged as this is against a mixture of confirmed LC's, discrepant documents under LC's, and bills pending negotiation.

Confirmation Charges:

For HSBC (Australia) the confirmation charges shall be advised on a case by case basis and shall be assessed on an actual number of days elapsed basis.

For HSBC (HK) the Confirmation Charges shall be assessed on an actual number of days elapsed basis, and according to the following matrix:

Country	Moody's A3 (or better)	Moody's A3-Baa	Below Moody's Baa	Others
China	0.40% p.a.	0.65% p.a.	Case-by-Case	Case-by-Case
Indonesia	0.40% p.a.	0.65% p.a.	Case-by-Case	Case-by-Case
India	0.40% p.a.	0.65% p.a.	Case-by-Case	Case-by-Case
Malaysia	0.40% p.a.	0.65% p.a.	Case-by-Case	Case-by-Case
Thailand	0.40% p.a.	0.65% p.a.	Case-by-Case	Case-by-Case
Taiwan	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case

Country	Moody's A3 (or better)	Moody's A3-Baa	Below Moody's Baa	Others
Vietnam	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case
Nepal	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case
Bangladesh	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case
Others	Case-by-Case	Case-by-Case	Case-by-Case	Case-by-Case

Confirmation charges may change from time to time, subject to significant market events/changes, and for this purpose shall be reviewed quarterly.

AUD Overdraft:

The AUD overdraft provided by HSBC (HK) is charged at 1% over HSBC (HK) applicable best lending rate.

Other Fees:

All other fees are in line with the standard tariffs as applicable from each Financier.

4. Change in the Margin and/or Fees

The Margin or fees set out above will, if Sims returns a signed copy of this fee letter to the Financiers, apply with effect from the date of this fee letter unless otherwise specified above.

5. Confidentiality

This fee letter must not be disclosed by Sims to any entity or person except as may be required by law or to Sims' employees and legal and financial advisers who have a need to know the information and who are made aware of and agree to be bound by the confidentiality obligation under this paragraph.

6. Counterparts

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales,

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

[*] Confidential Treatment Requested

Yours faithfully

_____

for and on behalf of **HSBC Bank Australia Limited**
Name: Greg Davey
Capacity: Relationship Manager
Date: 15 December 2007

_____

for and on behalf of **The Hongkong and Shanghai Banking Corporation Limited**
Name:
Capacity:
Date:

_____

for and on behalf of HSBC Bank PLC
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

for and on behalf of **HSBC Bank USA, National Association**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales.

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

Yours faithfully

_____

for and on behalf of **HSBC Bank Australia Limited**
Name. Greg Davey
Capacity: Relationship Manager
Date: 30 October 2009

_____

for and on behalf of **The Hongkong and Shanghai Banking Corporation Limited**
Name:
Capacity:
Date:

_____

for and on behalf of **HSBC Bank PLC**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

for and on behalf of **HSBC Bank USA, National Association**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales.

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

Yours faithfully

_____

for and on behalf of **HSBC Bank Australia Limited**
Name. Greg Davey
Capacity: Relationship Manager
Date: 30 October 2009

_____

for and on behalf of **The Hongkong and Shanghai Banking Corporation Limited**
Name:
Capacity:
Date:

_____

for and on behalf of **HSBC Bank PLC**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

for and on behalf of **HSBC Bank USA, National Association**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

This fee letter may be signed in any number of counterparts, each of which shall be an original and which shall be taken together to constitute one agreement.

7. Governing Law

This fee letter shall be governed by, and construed in accordance with, the laws of New South Wales.

Please confirm your agreement to the above by signing, dating and returning to us the enclosed copy of this fee letter.

Yours faithfully

_____

for and on behalf of **HSBC Bank Australia Limited**
Name. Greg Davey
Capacity: Relationship Manager
Date: 30 October 2009

_____

for and on behalf of **The Hongkong and Shanghai Banking Corporation Limited**
Name:
Capacity:
Date:

_____

for and on behalf of **HSBC Bank PLC**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

for and on behalf of **HSBC Bank USA, National Association**
Name:
Capacity:
Date:

[*] Confidential Treatment Requested

To: **HSBC Bank Australia Limited**

HSBC Bank PLC

HSBC Bank USA, National Association

The Hongkong and Shanghai Banking Corporation Limited

We hereby confirm and agree to the terms of this fee letter as set out above.

_____

For and on behalf of **Sims Metal Management Limited** ACN 114 838 630

Name:

Capacity:

Date:

[*] Confidential Treatment Requested

Exhibit 4.18

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Mr. Peter Ricketts, Group Senior Vice President, Treasury, Financial Strategy & Planning, Sims Metal Management Limited, Suits 1202, Level 12, 65 Berry Street, North Sydney NSW 2060, Australia

CC: Mr. Robert Larry, Global Chief Financial Officer, Sims Metal Management Limited, 326 North LaSalle Street, Suits 580, Chicago, IL 60610, United States of America

27 November 2009

Dear Peter,

Renewal Notice

A$460m Multi Option Facility Agreement dated 2 November 2009 between Sims Metal Management Limited and related companies and the Commonwealth Bank of Australia

We refer to the multi-option facility agreement dated 2 November 2000 between each party listed in Schedule 1 of that agreement (as **Borrowers**) and the Commonwealth Bank of Australia (as **Lender**) (**Facility Agreement**).

Under clause 4.6 of the Facility Agreement we give you notice that the Lender has agreed to extend the Final Termination Date by 12 months, from 31 December 2010 (**Existing Final Termination Date**) to 31 December 2011 (**New Final Termination Date**), subject to the following conditions:

a) the Borrowers indicating their acknowledgement and agreement to the extension of the Final Termination Date by 12 months, by signing and delivering this notice to the Lender within 30 days at receiving it;

b) The Borrowers indicating their acknowledgement and agreement to the Key Terms Schedule being amended and restated in the form set out in the Schedule to this notice, by initialing the attached schedule and delivering the initialled schedule (attached to this notice) to the Lender within 30 days of receiving it;

c) **[*]**; and

d) The Lender is mandated with a minimum role as Joint Agent and 60% share of fees for any USPP executed by the Borrower to 31 December 2010.

Subject to the above conditions being satisfied, we agree that on and from the Existing Final Termination Date:

e) the definition of “Final Termination Date” in clause 1.2 of the Facility Agreement shall be amended to be the New Final Termination Date;

f) the Key Terms Schedule will be amended end restated in the form set out in the attached Schedule; and

g) A term defined in the Facility Agreement has the same meaning when used in this Renewal Notice.

[*] Confidential Treatment Requested

Schedule — Amended and restated Key Terms Schedule

Part 1 — Cash Advance Facility

Facility	Available.
Facility Limit	Not applicable.
Purpose	Financing or supporting the working capital needs of the Sims Group.
Termination Date	Not applicable.
Margin	The Margin determined in accordance with the following table:

Gearing ratio	Margin
[*]	[*]

[*] Confidential Treatment Requested

Part 2 — Commercial Bills Facility

Facility	Available.
Facility Limit	Not applicable.
Purpose	Financing or supporting the working capital needs of the Sims Group.
Termination Date	Not applicable.
Bill Acceptance / Endorsement Fee Rate	The Bill Acceptance / Endorsement Fee Rate determined in accordance with the following table:

Gearing Ratio	Bill Acceptance / Endorsement Fee Rate
[*]	**[*]**

[*] Confidential Treatment Requested

Part 3 — Credit Support Facility

Facility	Available.
Facility Limit	Not applicable.
Purpose	Financing or supporting the working capital needs of the Sims Group.
Termination Date	Not applicable.
Credit Support Document Fee Rate	The Credit Support Document Fee Rate determined in accordance with the following table:

Gearing Ratio	Credit Support Document Fee Rate
[*]	**[*]**

[*] Confidential Treatment Requested

Part 4 — Trade Finance Facility

Facility	Available.
Documentary LCs	Available.
Trade Advances	Available.
Process of Negotiation	Available.
Facility Limit	Not applicable.
Purpose	The financing or refinancing of Obligations.
Termination Date	Not applicable.
Margin	The Margin determined in accordance with the following table:

Gearing Ratio	Margin
[*]	[*]

[*] Confidential Treatment Requested

Part 5 — Overdraft Facility

Facility	Available.
Purpose	Financing or supporting the working capital needs of the Sims Group.
Termination Date	Not applicable.
Overdraft Borrower	1 Sims Group Australia Holdings Limited; 2 Sims Aluminum Pty Limited; 3 Sims Metal Management Ltd; and 4 any other entity agreed by the Lender to be an "Applicant" for the purposes of the Group Limit Facility in accordance with paragraph (2)(g) of the Group Limit Facility.

Part 6 — General

Commitment	$450,000,000
Commitment Fee Rate	On any date, **[*]** of the Margin on that date.
Final Termination Date	31 December 2011.
Overdue Margin	**[*]** per annum

[*] Confidential Treatment Requested

Agreed and acknowledged by Sims on behalf of the Borrowers:

Signed for
Sims Metal Management Limited

sign here _____
Director

print name _____

sign here _____
Director/Company Secretary

print name _____

[*] Confidential Treatment Requested

Lender

Signed for
Commonwealth Bank of Australia
by its attorney

sign here _____
Attorney

print name _____

In the presence of

sign here _____
Witness

print name _____

[*] Confidential Treatment Requested

Exhibit 4.21

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Industrials & Materials
Level 3, 275 Kent Street
Sydney NSW 2000

Tel: (02) 8254 8812
Fax: (02) 8254 6968

23 December 2009

Sims Metal Management Limited
Suite 1202, Level 12
65 Berry Street
NORTH SYDNEY NSW 2060
Attention: Mr Peter Ricketts

Variation to Multicurrency Cash Advance Facility

Westpac Banking Corporation (***Westpac***) proposes to vary its facility currently available to Sims Group Australia Holdings Limited ABN 37 008 634 526 and each of the entities listed in Schedule I (each, an ***Undertaking Company***) on the terms set out in Westpac's agreement dated 1 November 2000, as amended (the ***Agreement***).

The amendments needed to document the varied facility are set out below.

Please confirm each Undertaking Company's acceptance of these amendments by signing the accompanying copy of this letter and returning it to us before 25 December 2009.

Capitalised terms defined in the Agreement and the Standard Terms have the same meanings when used in this letter.

This letter is a Bank Document for the purposes of the Standard Terms.

1. Amendments

The Agreement is amended by deleting the definitions of "Term", "Margin" and "Line Fee" and replacing them with the following:

Term: Until 1 August 2011 or as otherwise agreed (the ***Term***).

Margin The Margin is payable on outstandings drawn under the facility and will vary as set out in the following grid. (The calculation and definition of the Total Finance Debt/Gross EBITDA multiple is set out in the Standard Terms).

Ratio of Total Finance Debt /Gross EBITDA =	**Margin**
[*]	**[*]**

LineFee Calculated as a percentage per annum of the daily amount of the undrawn Commitment at the rate of **[*]** of the Margin. It is payable quarterly in arrears on the last Business Day of each calendar quarter, and on the last day of the Term (or at any other intervals designated by Westpac from time to time). If the Commitment is cancelled or reduced in the quarter the relevant amount of fee is not refundable.

2. General

Conditions Precedent

Before the variations referred to above become effective, the Undertaking Companies and Guarantors must:

- sign by two authorised officers of the Undertaking Companies and the Guarantors and return a copy of this letter; and
- **[*]**

References to Agreement

Any reference in the Agreement to the Agreement includes a reference to the Agreement as varied by this letter or as further varied from time to time.

Confirmation of Agreement

Other than set out in this letter, the Agreement remains unchanged.

Confirmation by Guarantors

Each Guarantor confirms that:

- It agrees to the amendment to the Agreement referred to in this letter;

- This amendment does not in any way release, reduce or limit its liability and obligations to Westpac under the Group Guarantee dated 15 November 2000 between (amongst others) it and Westpac (the "Group Guarantee");
- The Group Guarantee remains a valid obligation binding on it to pay amongst other things and according to its terms, all moneys due and payable from time to time to Westpac under the Agreement and Standard Terms as varied from time to time;
- Westpac is under no obligation to advise it of any further variation to the Agreement as a result of having requested this confirmation; and
- This confirmation is binding on it irrespective of whether all Guarantors sign or whether the statements are true in respect of each other Guarantor.

Governing law and Jurisdiction

This letter is governed by New South Wales law. Each Undertaking Company accepts the nonexclusive jurisdiction of the courts having jurisdiction there.

Schedule 1 — Undertaking Companies

Name of company	ABN/ARB/ place of incorporation
Sims Group Australia Holdings Limited	37 008 634 526
Sims Metal Management Limited	69 114 838 630
Sims Group UK Limited	UK 3242331
Sims Group UK Holdings Limited	UK 2904307
Mirec BV	Holland 17073024
Sims Recycling Solutions AB	Sweden
Sims Group USA Corporation	Delaware
Sims Group Global Trade Corporation	Delaware
North Carolina Resource Conservation LLC	North Carolina
Sims Group USA Holdings Corporation	Delaware
Schiabo Larovo Corporation	Delaware
Simsmetal East LLC	Delaware
Simsmetal West LLC	Delaware
Metal Management, Inc.	Delaware
Metal Management Alabama, Inc.	Delaware
Metal Management Arizona, L.L.C.	Arizona
Metal Management Connecticut, Inc.	Delaware
Metal Management Memphis, L.L.C.	Tennessee
Metal Management Midwest, Inc.	Illinois
Metal Management Mississippi, Inc.	Delaware
Metal Management Northeast, Inc.	New Jersey
Metal Management Ohio, Inc.	Ohio
Metal Management West, Inc.	Colorado
Proler Southwest LP	Texas
Metal Dynamics Detroit LLC	Delaware

[*] Confidential Treatment Requested

Schedule 2 — Guarantors

Name of Company	ACN/ARBN
Sims Group Australia Holdings Limited	37 008 634 526
Sims Metal Management Limited	69 114 838 630
Simsmetal Holdings Pty Limited	97 000 021 563
Simsmetal Services Pty Limited	76 000 166 987
Sims Manufacturing Pty Limited	13 004 332 870
Sims Industrial Pty Limited	95 000 090 479
Sims Energy Pty Limited	42 009 667 752
Sims Group UK Limited	UK 3242331
Sims Group UK Holdings Limited	UK 2904307
Mirec BV	Holland 17073024
Sims Recycling Solutions AB	Sweden
Simsmetal Industries Limited	New Zealand
Sims M+R GmbH	Germany
Sims Group German Holdings GmbH	Germany
Sims Asia Holdings Limited	Hong Kong
Sims Group Recycling Solutions Canada Ltd	Canada
Sims Group Canada Holdings Limited	Canada
Sims Group USA Corporation	Delaware
Sims Group Global Trade Corporation	Delaware
North Carolina Resource Conservation, LLC	North Carolina
Sims Group USA Holdings Corporation	Delaware
SHN Co., LLC	Delaware
HNE Recycling LLC	Delaware
HNW Recycling LLC	Delaware
Schiabo Larovo Corporation	Delaware
Simsmetal East LLC	Delaware
Simsmetal West LLC	Delaware
Sims Recycling Solutions, Inc.	Illinois
Sims Group Recycling Solutions USA Corporation	Delaware
United Refining & Smelting Co.	Illinois
Metal Management, Inc.	Delaware
CIM Trucking, Inc.	Illinois
Metal Management Alabama, Inc.	Delaware
Metal Management Arizona, L.L.C.	Arizona
Metal Management Connecticut, Inc.	Delaware
Metal Management Indiana, Inc.	Illinois
Metal Management Memphis, L.L.C.	Tennessee
Metal Management Midwest, Inc.	Illinois
Metal Management Mississippi, Inc.	Delaware
Metal Management New Haven, Inc.	Delaware
Metal Management Northeast, Inc.	New Jersey
Metal Management Ohio, Inc.	Ohio
Metal Management Pittsburgh, Inc.	Delaware
Metal Management Proler Southwest, Inc.	Delaware

[*] Confidential Treatment Requested

Name of Company	ACN/ARBN
Metal Management S&A Holdings, Inc.	Delaware
Metal Management West Coast Holdings, Inc.	Delaware
Metal Management West, Inc.	Colorado
MM Metal Dynamics Holdings, Inc.	Delaware
Naporano Iron & Metal, Inc.	Delaware
New York Recycling Ventures, Inc.	Delaware
Proler Southwest GP, Inc.	Delaware
Proler Southwest LP	Texas
Reserve Iron & Metal Limited Partnership	Delaware
Metal Dynamics LLC	Delaware
Metal Dynamics Detroit LLC	Delaware
Metal Dynamics Indianapolis LLC	Delaware
Sims Municipal Recycling of New York LLC	

Signed for Westpac Banking Corporation by its authorised officer

[*] Confidential Treatment Requested

Accepted and agreed for and on behalf of the Undertaking Companies
Sims Group Australia Holdings Limited ABN 37 008 634 526
Sims Metal Management Limited ACN 114 838 630
Sims Group UK Limited
Sims Group UK Holdings Limited
Mirec BV
Sims Recycling Solutions AB
Sims Group USA Corporation
Sims Group Global Trade Corporation
North Carolina Resource Conservation LLC
Sims Group USA Holdings Corporation
Schiabo Larovo Corporation
Simsmetal East LLC
Simsmetal West LLC
Metal. Management, Inc.
Metal Management Alabama, Inc.
Metal Management Arizona, L.L.C.
Metal Management Connecticut, Inc.
Metal Management Memphis, L.L.C.
Metal Management Midwest, Inc.
Metal Management Mississippi, Inc.
Metal Management Northeast, Inc.
Metal Management Ohio, Inc.
Metal Management West, Inc.
Proler Southwest LP
Metal Dynamics Detroit LLC

By its authorised officers

_____	_____
authorised officer	authorised officer
Name Peter Ricketts	Name
Title Group Senior Vice President Treasury Financial Strategy and Planning	Title

[*] Confidential Treatment Requested

Accepted and agreed for and on behalf of the Guarantors
Sims Group Australia Holdings Limited
Sims Metal Management Limited ACN 114 838 630
Simsmetal Holdings Pty Limited
Simsmetal Services Pty Limited
Sims Manufacturing Pty LimitedSims Industrial Pty Limited
Sims Energy Pty Limited
Sims Group UK Limited
Sims Group UK Holdings Limited
Mirec BY
Sims Recycling Solutions AB
Simsmetal Industries Limited
Sims M+R GmbH
Sims Group German Holdings GmbH
Sims Asia Holdings Limited
Sims Group Recycling Solutions Canada Ltd
Sims Group Canada Holdings Limited
Sims Group USA Corporation
Sims Group Global Trade Corporation
North Carolina Resource Conservation, LLC
Sims Group USA Holdings Corporation
SHIN Co., LLC
HNE Recycling LLC
HNW Recycling LLC
Schiabo Larovo Corporation
Simsmetal East LLC
Simsmetal West LLC
Sims Recycling Solutions, Inc.
Sims Group Recycling Solutions USA Corporation
United Refining & Smelting Co.
Metal Management, Inc.
CIM Trucking, Inc.
Metal Management Alabama, Inc.
Metal Management Arizona, L.L.C.
Metal Management Connecticut, Inc.
Metal Management Indiana, Inc.
Metal Management Memphis, L.L.C.
Metal Management Midwest, Inc.
Metal Management Mississippi, Inc.
Metal Management New Haven, Inc.
Metal Management Northeast, Inc.
Metal Management Ohio, Inc.
Metal Management Pittsburgh, Inc.
Metal Management Proler Southwest, Inc.
Metal Management S&A Holdings, Inc.
Metal Management West Coast Holdings, Inc.

[*] Confidential Treatment Requested

Metal Management West, Inc.
MM Metal Dynamics Holdings, Inc.
Naporano Iron & Metal, Inc.
New York Recycling Ventures, Inc.
Proler Southwest GP, Inc.
Proler Southwest LP
Reserve Iron & Metal Limited Partnership Metal Dynamics LLC
Metal Dynamics Detroit LLC
Metal Dynamics Indianapolis LLC
Sims Municipal Recycling of New York LLC

By its authorised officers

authorised officer	authorised officer
Name Peter Ricketts	Name
Title Group Senior Vice President Treasury Financial Strategy and Planning	Title

[*] Confidential Treatment Requested

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Westpac Institutional Banking
Level 3, 275 Kent Street
SYDNEY NSW 2000
Phone: (02) 8254 8812
Fax: (02) 8254 8999

20 July 2010

Sims Metal Management Limited
Suite 1202, Level 12
65 Berry Street
North Sydney NSW 2060
Attention: Peter Ricketts

Variation to Cash Advance Facility for the Sims Group

Westpac Banking Corporation (***Westpac***) proposes to further vary its facility currently available to Sims Metal Management Limited ACN 114 838 630 (***Sims***) and its subsidiaries listed in Schedule 1 (together the ***Undertaking Companies***) on the terms set out in Westpac's agreement dated 1 November 2000, as amended (the ***Agreement***), and the Standard Terms dated 2 November 2009, as amended (the ***Standard Terms***).

The amendments needed to document the varied facility are set out below.

Please confirm the Undertaking Companies' acceptance of these amendments by signing the accompanying copy of this letter and arranging for it to be signed also by the companies listed in Schedule 2 (together the ***Guarantors***) and returning it to us within 30 days of the date of this letter or such later date as Westpac may agree in writing.

Capitalised terms defined in the Agreement and the Standard Terms have the same meanings when used in this letter.

This is a Bank Document for the purposes of the Standard Terms.

1. Amendments

In the Agreement, the following sections of the Facility Details replace the equivalent existing sections:

Maximum amount outstanding at any time

Tranche A: $250,000,000 (as reduced, the ***Tranche A Commitment***).

Tranche B: $150,000,000 (as reduced, the ***Tranche B Commitment***), (together the ***Commitment)***.

Sims Metal Management Limited may cancel all or part of the undrawn Tranche A Commitment or Tranche B Commitment on 20 Business Days' Notice to Westpac. The Commitment will be automatically cancelled on the last day of the Term or as otherwise agreed in writing by Westpac and Sims.

Margin

The Margin is payable on outstandings drawn under the facility and will vary as set out in the following grid.

(The calculation and definition of the Finance Debt/EBITDA multiple is set out in the Standard Terms).

Finance Debt/ EBITDA =	Tranche A Margin	Tranche B Margin
[*]	[*]	[*]

The amendments to the Margin contained in the grid set out above will take effect when the conditions precedent set out below are satisfied.

Any adjustment to the Margin according to the grid set out above following a change in the Finance Debt/EBITDA multiple will be effective from the beginning of the first interest period which commences on a date following the delivery of a compliance certificate under clause 4(a)(ii) of the Standard Terms. The adjusted Margin will apply until a subsequent compliance certificate discloses a change in the Finance Debt/EBITDA multiple.

Undrawn Line Fee

Calculated as a percentage per annum of the daily amount of the undrawn Tranche A Commitment and the undrawn Tranche B Commitment as set out below. It is payable quarterly in arrears on the last Business Day of each calendar quarter, and on the last day of the Term (or at any other intervals designated by Westpac from time to time). If the Commitment is cancelled or reduced in the calendar quarter the relevant amount of fee is not refundable.

(The calculation and definition of the Finance Debt/EBITDA multiple is set out in the Standard Terms).

Tranche A Commitment:

[*] of the applicable Margin.

Tranche B Commitment:

[*] of the applicable Margin.

Term

For Tranche A and Tranche B until 1 August 2011 or as otherwise agreed (the ***Term***).

[*] Confidential Treatment Requested

Execution version

2. General

Conditions Precedent

Before the amendments referred to above become effective Westpac must confirm in writing that the following conditions precedent have been satisfied:

- the Undertaking Companies and the Guarantors must sign and return a copy of this agreement; and
- **[*]**

References to Agreement

Any reference in the Agreement or the Standard Terms to the Agreement includes a reference to the Agreement as amended by this letter or as further varied from time to time.

Confirmation of Agreement

Other than set out in this letter, the Agreement remains unchanged.

Confirmation by SMM — North America Trade Corporation

SMM — North America Trade Corporation acknowledges that it is bound by the Standard Terms as an Undertaking Company and consents to the amendments to the Standard Terms by the Variation to Standard Terms dated 2 November 2009 (the ***Variation***). Any reference to "Sims — North America Trade Corporation" in the Variation is a reference to SMM — North America Trade Corporation.

Confirmation by Guarantors

Each Guarantor confirms that:

- It agrees to the amendments to the Agreement referred to in this letter;
- The amendments do not in any way release, reduce or limit its liability and obligations to Westpac under the Group Guarantee dated 15 November 2000 between (amongst others) it and Westpac (the "Group Guarantee");
- The Group Guarantee remains a valid obligation binding on it to pay amongst other things and according to its terms, all moneys due and payable from time to time to Westpac under the Agreement and Standard Terms as varied from time to time;
- Westpac is under no obligation to advise it of any further variation to the Agreement as a result of having requested this confirmation; and
- This confirmation is binding on it irrespective of whether all Guarantors sign or whether the statements are true in respect of each other Guarantor.

Governing law and Jurisdiction

This letter is governed by New South Wales law. The Undertaking Companies and Guarantors accept the non-exclusive jurisdiction of the courts having jurisdiction there.

[*] Confidential Treatment Requested

Execution version

Schedule 1

Name of Undertaking Company	*ACN/ARBN/Registered Number/Place of Incorporation*
Sims Group Australia Holdings Limited	008 634 526
Sims Group UK Limited	UK 3242331
Sims Group UK Holdings Limited	UK 2904307
Mirec BV	The Netherlands 17073024
Sims Recycling Solutions AB	Sweden
Sims Group USA Corporation	Delaware
Sims Group Global Trade Corporation	Delaware
North Carolina Resource Conservation, LLC	North Carolina
Sims Group USA Holdings Corporation	Delaware
Schiabo Larovo Corporation	Delaware
Simsmetal East LLC	Delaware
Simsmetal West LLC	Delaware
Metal Management, Inc.	Delaware
Metal Management Alabama, Inc.	Delaware
Metal Management Arizona, L.L.C.	Arizona
Metal Management Connecticut, Inc.	Delaware
Metal Management Memphis, L.L.C.	Tennessee
Metal Management Midwest, Inc.	Illinois
Metal Management Mississippi, Inc.	Delaware
Metal Management Northeast, Inc.	New Jersey
Metal Management Ohio, Inc.	Ohio
Metal Management West, Inc.	Colorado
Proler Southwest LP	Texas
Metal Dynamics Detroit LLC	Delaware

[*] Confidential Treatment Requested

Execution version

Schedule 2

Name of Guarantor	*ACN/ARBN/Registered Number/Place of Incorporation*
Sims Group Australia Holdings Limited	008 634 526
Sims Metal Management Limited	114 838 630
Simsmetal Holdings Pty Limited	000 021 563
Simsmetal Services Pty Limited	000 166 987
Sims Manufacturing Pty Limited	004 332 870
Sims Industrial Pty Limited	000 090 479
Sims Energy Pty Limited	009 667 752
Sims Group UK Limited	UK 3242331
Sims Group UK Holdings Limited	UK 2904307
Mirec BV	The Netherlands 17073024
Sims Recycling Solutions AB	Sweden
Simsmetal Industries Limited	New Zealand
Sims M+R GmbH	Germany
Sims Group German Holdings GmbH	Germany
Sims Metal Management Asia Limited (formerly known as Sims Asia Holdings Limited)	Hong Kong
Sims Group Recycling Solutions Canada Ltd.	Canada
Sims Group Canada Holdings Limited	Canada
Sims Group USA Corporation	Delaware
Sims Group Global Trade Corporation	Delaware
North Carolina Resource Conservation, LLC	North Carolina
Sims Group USA Holdings Corporation	Delaware
SHN Co., LLC	Delaware
HNE Recycling LLC	Delaware
HNW Recycling LLC	Delaware
Schiabo Larovo Corporation	Delaware
Simsmetal East LLC	Delaware
Simsmetal West LLC	Delaware

[*] Confidential Treatment Requested

Execution version

Name of Guarantor	*ACN/ARBN/Registered Number/Place of Incorporation*
Sims Recycling Solutions Holdings Inc. (formerly known as Sims Recycling Solutions, Inc.)	Illinois
SMM — North America Trade Corporation (formerly known as Metal Management S&A Holdings, Inc.)	Delaware
Sims Recycling Solutions, Inc. (formerly known as United Refining & Smelting Co)	Illinois
Metal Management, Inc.	Delaware
CIM Trucking, Inc.	Illinois
Metal Management Alabama, Inc.	Delaware
Metal Management Arizona, L.L.C.	Arizona
Metal Management Connecticut, Inc.	Delaware
Metal Management Indiana, Inc.	Illinois
Metal Management Memphis, L.L.C.	Tennessee
Metal Management Midwest, Inc.	Illinois
Metal Management Mississippi, Inc.	Delaware
Metal Management New Haven, Inc.	Delaware
Metal Management Northeast, Inc.	New Jersey
Metal Management Ohio, Inc.	Ohio
Metal Management Pittsburgh, Inc.	Delaware
Metal Management Proler Southwest, Inc.	Delaware
Metal Management West Coast Holdings, Inc.	Delaware
Metal Management West, Inc.	Colorado
MM Metal Dynamics Holdings, Inc.	Delaware
Naporano Iron & Metal, Inc.	Delaware
New York Recycling Ventures, Inc.	Delaware
Proler Southwest GP, Inc.	Delaware
Proler Southwest LP	Texas
Reserve Iron & Metal Limited Partnership	Delaware
Metal Dynamics LLC	Delaware
Metal Dynamics Detroit LLC	Delaware
TH Properties LLC (formerly known as Metal Dynamics Indianapolis LLC)	Delaware
Sims Municipal Recycling of New York LLC	Delaware

[*] Confidential Treatment Requested

Execution version

Westpac

Signed for **Westpac Banking Corporation** by its attorney

_____

Name:
Title:

[*] Confidential Treatment Requested

Execution version

Guarantors and Undertaking Companies

Accepted and agreed for and on behalf of:
Sims Metal Management Limited ACN 114 838 630

Director	Director/Secretary
Name (please print)	Name (please print)
Date of acceptance:	

We confirm:

The Company is solvent. It is not prevented by Chapter 2E or any other provision of the Corporations Act 2001 from entering into and performing the accepted agreement. We hold the offices stated under our signatures. We am/are authorised to sign the accepted agreement.

[*] Confidential Treatment Requested

Execution version

Executed by
Schiabo Larovo Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Simsmetal East LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Simsmetal West LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Alabama, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Arizona, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Connecticut, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Memphis, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Midwest, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Mississippi, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Northeast, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Ohio, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management West, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Proler Southwest LP
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Dynamics Detroit LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Simsmetal Industries Limited
by its directors:

Signature of director	Signature of director
Name of director (please print)	Name of director (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims M+R GmbH
by its officer:

Signature of officer	Signature of officer
Name of officer (please print)	Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Group German Holdings GmbH
by its officer:

Signature of officer	Signature of officer
Name of officer (please print)	Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

THE COMMON SEAL of
Sims Metal Management Asia Limited
(formerly known as Sims Asia Holdings Limited)
was affixed to this document in the presence of:

Signature of officer	Signature of officer
Name of officer (please print)	Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Group Recycling Solutions Canada Ltd.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Group Canada Holdings Limited
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Recycling Solutions Holdings Inc.
(formerly known as Sims Recycling Solutions, Inc).
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
SMM — North America Trade Corporation (formerly known as Metal Management S&A Holdings, Inc.)
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Recycling Solutions, Inc.
(formerly known as United Refining & Smelting Co.)
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
CIM Trucking, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Indiana, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management New Haven, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Pittsburgh, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management Proler Southwest, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Management West Coast Holdings, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
MM Metal Dynamics Holdings, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Naporano Iron & Metal, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
New York Recycling Ventures, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Proler Southwest GP, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Reserve Iron & Metal Limited Partnership
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Metal Dynamics LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
TH Properties LLC (formerly known as Metal Dynamics Indianapolis LLC)
by its member: **Metal Dynamics LLC**

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Municipal Recycling of New York LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Sims Group Australia Holdings Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Simsmetal Holdings Pty Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Simsmetal Services Pty Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Sims Manufacturing Pty Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Sims Industrial Pty Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Sims Energy Pty Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Sims Group UK Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Sims Group UK Holdings Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Signed by
Mirec BV
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Sims Recycling Solutions AB
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Group USA Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Sims Group Global Trade Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
North Carolina Resource Conservation LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
Sims Group USA Holdings Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
SHN Co., LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
HNE Recycling LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Executed by
HNW Recycling LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Execution version

Exhibit 4.25

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (the "Amendment") is entered into as of June 25, 2010, among SIMS GROUP USA HOLDINGS CORPORATION, a Delaware corporation, formerly known as Sims Hugo Neu Corporation (the "Company"), SIMS GROUP GLOBAL TRADE CORPORATION, a Delaware corporation, successor by merger to Sims Hugo Neu Global Trade LLC ("Global Trade"), HNE RECYCLING LLC, a Delaware limited liability company ("HNE Recycling"), HNW RECYCLING LLC, a Delaware limited liability company ("HNW Recycling"), SIMSMETAL EAST LLC, a Delaware limited liability company, successor to Sims Hugo Neu East (General Partnership), a New York general partnership ("SHN East"), SIMSMETAL WEST LLC, a Delaware limited liability company, successor to Sims Hugo Neu West (General Partnership), a California general partnership ("SHN West"), SIMS GROUP USA CORPORATION, a Delaware corporation ("Sims USA"), METAL MANAGEMENT, INC., a Delaware corporation ("Metal Management"), MM METAL DYNAMICS HOLDINGS, INC., a Delaware corporation ("MM Dynamics"), METAL MANAGEMENT MIDWEST, INC., an Illinois corporation ("MM Midwest"), METAL MANAGEMENT OHIO, INC., an Ohio corporation ("MM Ohio"), SMM – NORTH AMERICA TRADE CORPORATION, a Delaware corporation, formerly known as Metal Management S&A Holdings, Inc. ("SMM — North America"), METAL MANAGEMENT WEST COAST HOLDINGS, INC., a Delaware corporation ("MM West Coast"), METAL MANAGEMENT PROLER SOUTHWEST, INC., a Delaware corporation ("MM Proler Southwest"), PROLER SOUTHWEST GP, INC., a Delaware corporation ("MM Southwest GP"), NAPORANO IRON & METAL, INC., a Delaware corporation ("Naporano"), METAL MANAGEMENT NORTHEAST, INC., a New Jersey corporation ("MM Northeast"), and METAL MANAGEMENT NEW HAVEN, INC., a Delaware corporation ("MM New Haven"), CIM TRUCKING, INC., an Illinois corporation ("CIM"), METAL MANAGEMENT ALABAMA, INC., a Delaware corporation ("MM Alabama"), METAL MANAGEMENT ARIZONA, L.L.C., an Arizona limited liability company ("MM Arizona"), METAL MANAGEMENT CONNECTICUT, INC., a Delaware corporation ("MM Connecticut"), METAL MANAGEMENT INDIANA, INC., an Illinois corporation ("MM Indiana"), METAL MANAGEMENT MEMPHIS, L.L.C., a Tennessee limited liability company ("MM Memphis"), METAL MANAGEMENT MISSISSIPPI, INC., a Delaware corporation ("MM Mississippi"), METAL MANAGEMENT PITTSBURGH, INC., a Delaware corporation ("MM Pittsburgh"), METAL MANAGEMENT WEST, INC., a Colorado corporation ("MM West"), NEW YORK RECYCLING VENTURES, INC., a Delaware corporation ("NY Recycling"), PROLER SOUTHWEST LP, a Texas limited partnership ("Proler Southwest"), RESERVE IRON & METAL LIMITED PARTNERSHIP, a Delaware limited partnership ("Reserve"), METAL DYNAMICS LLC, a Delaware limited liability company ("Metal Dynamics"), METAL DYNAMICS DETROIT LLC, a Delaware limited liability company ("MD Detroit"), TH PROPERTIES LLC, a Delaware limited liability

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company (formerly known as METAL DYNAMICS INDIANAPOLIS LLC, a Delaware limited liability company) ("TH Properties"), and together with the Company, Global Trade, HNE Recycling, HNW Recycling, SHN East, SHN West, Sims USA, Metal Management, MM Dynamics, MM Midwest, MM Ohio, SMM - North America, MM West Coast, MM Proler Southwest, MM Southwest GP, Naporano, MM Northeast, MM New Haven, CIM, MM Alabama, MM Arizona, MM Connecticut, MM Indiana, MM Memphis, MM Mississippi, MM Pittsburgh, MM West, NY Recycling, Proler Southwest, Reserve, Metal Dynamics, MD Detroit, collectively, the "Borrowers" individually, a "Borrower"), and BANK OF AMERICA, N.A., a national banking association (the "Lender").

RECITALS

A. The Borrowers and the Lender are each a party to that certain Amended and Restated Credit Agreement dated as of November 2, 2009 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), pursuant to which and subject to the terms and conditions therein contained, the Lender agreed to make Loans to, and issue Letters of Credit for the account of, the Borrowers.

B. The Borrowers and the Lender have agreed to increase the amount of the Commitment from $150,000,000 to $200,000,000, extend the Maturity Date from December 1, 2010 to a maturity date specified by Lender in a notice to the Company, which date shall be fourteen (14) months after the date the notice was provided, and make certain modifications to the pricing of the Loans made and standby letters of credit issued pursuant to the Credit Agreement, in each case, subject to the terms and conditions of this Amendment.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Definitions; Interpretation. All capitalized terms used in this Amendment and not otherwise defined herein have the meanings specified in the Credit Agreement. The rules of construction and interpretation specified in Section 1.02 of the Credit Agreement also apply to this Amendment and are incorporated herein by this reference.

2. Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Amendment to Definitions. In Section 1.01, amendments are made to the definitions, as follows:

(i) The table set forth in the definition of "Applicable Margin" is amended and restated to read as follows:

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Applicable Margin				
Pricing Level	Cashflow Gearing Ratio	Commitment Fee	Eurocurrency Rate Loans Standby Letters of Credit	Base Rate Loans
[*]	[*]	[*]	[*]	[*]

(ii) The definition of "Commitment" is amended and restated to read as follows:

"Commitment" means the obligation of the Lender to make Loans and L/C Credit Extensions hereunder in an aggregate principal amount at any one time not to exceed the amount of $200,000,000, as such amount may be adjusted from time to time in accordance with this Agreement.

(iii) The definition of "Maturity Date" is amended and restated to read as follows:

"Maturity Date" means the maturity date specified by Lender in a notice to the Company, which date shall be fourteen (14) months after the date the notice was provided; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

(b) Amendment to Section 2.13. Section 2.13 is amended and restated to read as follows:

2.13 Reserved.

3. Conditions to Effectiveness of Amendment. Notwithstanding anything contained herein to the contrary, this Amendment shall become effective as of June 25, 2010; provided that all of the following conditions are fully satisfied on or before June 30, 2010:

(a) Delivery of Amendment. Each Borrower and the Lender shall have executed and delivered counterparts of this Amendment to the Lender, sufficient in number for distribution to the Company and the Lender;

(b) Notes. Each Borrower shall have executed and delivered to the Lender a Note in the form of Annex 1 hereto (the "Notes");

(c) Consent of Parent. Sims Metal Management Limited, a corporation registered in the State of Victoria, Commonwealth of Australia, formerly known as Sims Group Limited (the "Parent"), shall have executed and delivered to the Lender a Consent of Guarantor in the form of Annex 2 hereto (the "Parent Consent"), sufficient in number for distribution to the Company and the Lender;

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(d) **[*]**

(e) Authorization. The Lender shall have received the following, each in form and substance and dated as of a date satisfactory to the Lender and its legal counsel:

(i) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Lender may require to establish the identities of and verify the authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment, the Notes, the Parent Consent and the other Loan Documents to which such Loan Party; and

(ii) such evidence as the Lender may reasonably require to verify that each Loan Party is duly organized or formed, validly existing, in good standing and qualified to engage in business in each jurisdiction in which it is required to be qualified to engage in business, including certified copies of each Loan Party's Organization Documents, certificates of good standing and/or qualification to engage in business.

(f) Opinions of Counsel. The Lender shall have received a favorable opinion of Baker & McKenzie LLP Sydney, counsel to the Parent addressed to the Lender, as to such matters concerning the the Parent Consent and the Loan Documents to which the Parent is a party as the Lender may reasonably request;

(g) Payment of Expenses. Unless waived by the Lender, the Borrowers shall have paid all fees, charges and disbursements of counsel to the Lender (directly to such counsel if requested by the Lender) to the extent invoiced prior to or on the effective date of this Amendment, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Lender);

(h) Representations True; No Default. The representations of the Borrowers as set forth in Article V of the Credit Agreement shall be true on and as of the date of this Amendment with the same force and effect as if made on and as of this date or, if any such representation or warranty is stated to have been made as of or with respect to a specific date, as of or with respect to such specific date. No Event of Default and no event which, with notice or lapse of time or both, would constitute an Event of Default, shall have occurred and be continuing or will occur as a result of the execution of this Amendment; and

(i) Other Documents. The Lender shall have received such other documents, instruments, and undertakings as the Lender may reasonably request.

4. Condition Subsequent. The Loan Parties undertake to deliver to the Lender, by July 14, 2010, a favorable opinion of Baker & McKenzie LLP, counsel to the Loan Parties addressed to the Lender, as to such matters concerning the Loan Parties, this Amendment, the

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Notes and the other Loan Documents to which the Loan Parties are a party as the Lender may reasonably request. Prior to delivery of such opinion, the Commitment shall be $150,000,000.

5. Representations and Warranties. The Borrowers hereby represent and warrant to the Lender that each of the representations and warranties set forth in Article V of the Credit Agreement is true and correct as if made on and as of the date of this Amendment or, if any such representation or warranty is stated to have been made as of or with respect to a specific date, as of or with respect to such specific date. The Borrowers expressly agree that it shall be an additional Event of Default under the Credit Agreement if any representation or warranty made by the Borrowers hereunder shall prove to have been incorrect in any material respect when made.

6. No Further Amendment. Except as expressly modified by this Amendment, the Credit Agreement, the Notes and the other Loan Documents shall remain unmodified and in full force and effect and the parties hereby ratify their respective obligations thereunder.

7. Reservation of Rights. The Borrowers acknowledge and agree that the execution and delivery by the Lender of this Amendment shall not be deemed to create a course of dealing or otherwise obligate the Lender to forbear or execute similar amendments under the same or similar circumstances in the future.

8. Miscellaneous.

(a) Counterparts; Integration. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

(b) Severability. If any provision of this Amendment is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(c) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

SIMS GROUP USA HOLDINGS CORPORATION,
formerly known as Sims Hugo Neu Corporation

By: _____
Name: _____
Title: _____

SIMS GROUP GLOBAL TRADE CORPORATION,
successor by merger to Sims Hugo Neu Global Trade LLC

By: _____
Name: _____
Title: _____

HNE RECYCLING LLC

By: _____
Name: _____
Title: _____

HNW RECYCLING LLC

By: _____
Name: _____
Title: _____

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SIMSMETAL EAST LLC, successor to Sims Hugo Neu East (General Partnership)

By: _____
Name: _____
Title: _____

SIMSMETAL WEST LLC, successor to Sims Hugo Neu West (General Partnership)

By: _____
Name: _____
Title: _____

SIMS GROUP USA CORPORATION

By: _____
Name: _____
Title: _____

METAL MANAGEMENT, INC.

By: _____
Name: _____
Title: _____

MM METAL DYNAMICS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

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METAL MANAGEMENT MIDWEST, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT OHIO, INC.

By: _____
Name: _____
Title: _____

SMM – NORTH AMERICA TRADE CORPORATION,
formerly known as Metal Management S&A Holdings, Inc.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT WEST COAST HOLDINGS, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT PROLER SOUTHWEST, INC.

By: _____
Name: _____
Title: _____

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PROLER SOUTHWEST GP, INC.

By: _____
Name: _____
Title: _____

NAPORANO IRON & METAL, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT NORTHEAST, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT NEW HAVEN, INC.

By: _____
Name: _____
Title: _____

CIM TRUCKING, INC.

By: _____
Name: _____
Title: _____

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METAL MANAGEMENT ALABAMA, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT ARIZONA, L.L.C.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT CONNECTICUT, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT INDIANA, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT MEMPHIS, L.L.C.

By: _____
Name: _____
Title: _____

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METAL MANAGEMENT MISSISSIPPI, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT PITTSBURGH, INC.

By: _____
Name: _____
Title: _____

METAL MANAGEMENT WEST, INC.

By: _____
Name: _____
Title: _____

NEW YORK RECYCLING VENTURES, INC.

By: _____
Name: _____
Title: _____

PROLER SOUTHWEST LP

By: _____
Name: _____
Title: _____

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RESERVE IRON & METAL LIMITED PARTNERSHIP

By: _____
Name: _____
Title: _____

METAL DYNAMICS LLC

By: _____
Name: _____
Title: _____

METAL DYNAMICS DETROIT LLC

By: _____
Name: _____
Title: _____

TH PROPERTIES LLC (formerly known as Metal Dynamics Indianapolis LLC)

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

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ANNEX 1

FORM OF AMENDED AND RESTATED NOTE

$200,000,000 June 25, 2010

FOR VALUE RECEIVED, the undersigned (the "Borrower") hereby promises to pay to Bank of America, N.A., a national banking association, or assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement dated as of November 2, 2009 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Sims Group USA Holdings Corporation, a Delaware corporation, formerly known as Sims Hugo Neu Corporation, the Designated Borrowers from time to time party thereto, and the Lender.

This Note amends, restates and replaces in its entirety that certain Note dated November 2, 2009 in the amount of $150,000,000 made by the Borrower in favor of Lender (the "Prior Note"). The Loans evidenced by the Prior Note have not been repaid, satisfied or discharged and nothing herein shall constitute a repayment, satisfaction or discharge of such Loans.

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Lender in the currency in which such Loan was denominated and in Same Day Funds at the Lending Office for such currency. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount, currency and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

[Remainder of page intentionally left blank]

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THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[BORROWER / APPLICABLE DESIGNATED BORROWER]

By: _____
Name: _____
Title: _____

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ANNEX 2

CONSENT OF GUARANTOR

This CONSENT OF GUARANTOR (this "Consent") is entered into as of June 25, 2010, by SIMS METAL MANAGEMENT LIMITED, a corporation registered in the State of Victoria, Commonwealth of Australia, formerly known as Sims Group Limited (the "Guarantor"), to and in favor of BANK OF AMERICA, N.A., a national banking association (the "Lender").

RECITALS

A. Sims Group USA Holdings Corporation, a Delaware corporation, formerly known as Sims Hugo Neu Corporation (the "Company"), Sims Group Global Trade Corporation, a Delaware corporation, successor by merger to Sims Hugo Neu Global Trade LLC ("Global Trade"), HNE Recycling LLC, a Delaware limited liability company ("HNE Recycling"), HNW Recycling LLC, a Delaware limited liability company ("HNW Recycling"), Simsmetal East LLC, a Delaware limited liability company, successor to Sims Hugo Neu East (General Partnership), a New York general partnership ("SHN East"), Simsmetal West LLC, a Delaware limited liability company, successor to Sims Hugo Neu West (General Partnership), a California general partnership ("SHN West"), Sims Group USA Corporation, a Delaware corporation ("Sims USA"), Metal Management, Inc., a Delaware corporation ("Metal Management"), MM Metal Dynamics Holdings, Inc., a Delaware corporation ("MM Dynamics"), Metal Management Midwest, Inc., an Illinois corporation ("MM Midwest"), Metal Management Ohio, Inc., an Ohio corporation ("MM Ohio"), SMM – North America Trade Corporation, a Delaware corporation, formerly known as Metal Management S&A Holdings, Inc. ("SMM — North America"), Metal Management West Coast Holdings, Inc., a Delaware corporation ("MM West Coast"), Metal Management Proler Southwest, Inc., a Delaware corporation ("MM Proler Southwest"), Proler Southwest GP, INC., a Delaware corporation ("MM Southwest GP"), Naporano Iron & Metal, Inc., a Delaware corporation ("Naporano"), Metal Management Northeast, Inc., a New Jersey corporation ("MM Northeast"), and Metal Management New Haven, Inc., a Delaware corporation ("MM New Haven"), CIM Trucking, Inc., an Illinois corporation ("CIM"), Metal Management Alabama, Inc., a Delaware corporation ("MM Alabama"), Metal Management Arizona, L.L.C., an Arizona limited liability company ("MM Arizona"), Metal Management Connecticut, Inc., a Delaware corporation ("MM Connecticut"), Metal Management Indiana, Inc., an Illinois corporation ("MM Indiana"), Metal Management Memphis, L.L.C., a Tennessee limited liability company ("MM Memphis"), Metal Management Mississippi, Inc., a Delaware corporation ("MM Mississippi"), Metal Management Pittsburgh, Inc., a Delaware corporation ("MM Pittsburgh"), Metal Management West, Inc., a Colorado corporation ("MM West"), New York Recycling Ventures, Inc., a Delaware corporation ("NY Recycling"), Proler Southwest LP, a Texas limited partnership ("Proler Southwest"), Reserve Iron & Metal Limited Partnership, a Delaware limited partnership ("Reserve"), Metal Dynamics LLC, a Delaware limited liability company ("Metal Dynamics"), Metal Dynamics Detroit LLC, a Delaware limited liability company ("MD Detroit"), TH PROPERTIES LLC, a Delaware limited liability company (formerly known as METAL DYNAMICS INDIANAPOLIS LLC, a Delaware limited liability company) ("TH Properties LLC"), and together with the Company, Global Trade, HNE

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Recycling, HNW Recycling, SHN East, SHN West, Sims USA, Metal Management, MM Dynamics, MM Midwest, MM Ohio, SMM — North America, MM West Coast, MM Proler Southwest, MM Southwest GP, Naporano, MM Northeast, MM New Haven, CIM, MM Alabama, MM Arizona, MM Connecticut, MM Indiana, MM Memphis, MM Mississippi, MM Pittsburgh, MM West, NY Recycling, Proler Southwest, Reserve, Metal Dynamics, MD Detroit, collectively, the "Borrowers" individually, a "Borrower"), and the Lender are each a party to that certain Amended and Restated Credit Agreement dated as of November 2, 2009 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined).

B. In connection with and as a condition to the obligation of the Lender to make its initial Credit Extension under the Credit Agreement, the Guarantor entered into that certain Amended and Restated Deed Poll of Continuing Guaranty dated as of November 2, 2009 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Guaranty"), pursuant to which the Guarantor guaranteed, among other things, the payment and performance of the debts, liabilities, obligations, covenants and duties of, the Borrowers to the Lender arising under the Credit Agreement and the other Loan Documents to which any Borrower is a party.

C. The Borrowers and the Lender intend to enter into that certain First Amendment to Amended and Restated Credit Agreement dated as of June 25, 2010 (the "Amendment"), pursuant to which, among other things, the Lender will agree to increase the amount of the Commitment from $150,000,000 to $200,000,000, extend the Maturity Date from December 1, 2010 to a maturity date specified by Lender in a notice to the Company, which date shall be fourteen (14) months after the date the notice was provided, and make certain modifications to the pricing of the Loans made and standby letters of credit issued pursuant to the Credit Agreement, in each case, subject to the terms and conditions of the Amendment.

D. It is a condition precedent to the effectiveness of the Amendment that the Guarantor enter into this Consent.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration receipt of which is hereby acknowledged, the Guarantor agrees as follows:

AGREEMENT

1. Definitions. Capitalized terms not otherwise defined in this Consent shall have the meanings given in the Guaranty, and if not defined therein shall have the meanings given in the Credit Agreement.

2. Consent. The Guarantor hereby acknowledges that it has received a copy of the Amendment and the Credit Agreement and hereby consents to their contents, including all prior and current amendments to the Credit Agreement.

3. Ratification and Confirmation. The Guarantor hereby ratifies and confirms each of its debts, liabilities, obligations, covenants and duties to the Lender arising under the

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Guaranty. The Guarantor hereby confirms and agrees that its guarantee of the payment and performance of the Guaranteed Obligations (as defined in the Guaranty) remains in full force and effect notwithstanding the amendments made by the Amendment and all previous amendments.

4. Representations and Warranties. The Guarantor hereby represents and warrants to the Lender that each of the representations and warranties set forth in Article IV of the Guaranty is true and correct as if made on and as of the date of this Consent.

5. Governing Law. THIS CONSENT IS GOVERNED BY THE LAW IN FORCE IN NEW SOUTH WALES, AUSTRALIA.

6. Effectiveness. This Consent shall become effective when the Lender shall have received a copy of this Consent that bears the signatures of the Guarantor and the Lender. Delivery of an executed signature page of this Consent by telecopy shall be effective as delivery of a manually executed signature page of this Consent.

7. Consideration. The Guarantor acknowledges that the Lender is acting in reliance on the Guarantor incurring obligations and giving rights under this Consent.

[Remainder of page intentionally left blank]

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THIS CONSENT OF GUARANTOR IS EXECUTED AND UNCONDITIONALLY DELIVERED AS A DEED POLL FOR THE BENEFIT OF BANK OF AMERICA, N.A. (INCLUDING ITS PERMITTED SUCCESSORS AND ASSIGNS) AND IS GOVERNED BY THE LAWS OF THE STATE OF NEW SOUTH WALES.

EXECUTED by **SIMS METAL MANAGEMENT LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

_____
Signature of director

_____
Signature of director (block letters)

_____
Signature of director/company secretary*

* delete whichever is not applicable

_____
Name of director/company secretary* (block letters)

* delete whichever is not applicable

EXECUTED by **BANK OF AMERICA, N.A.**:

_____
Signature of officer

_____
Signature of officer (block letters)

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Exhibit 4.26

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

Letter of Offer

Sims Metal Management Limited
(Sims)

National Australia Bank Limited
(Bank)

[*] Confidential Treatment Requested

13 March 2009

The Directors
Sims Metal Management Limited
Sir Joseph Banks Corporate Park
Suite 3, Level 2
32-34 Lord St
Botany NSW 2019

Attention: Mr. Peter Ricketts

and to each other Original Borrower as listed in Schedule 1

Dear Sirs,

MULTICURRENCY REVOLVING FLOATING RATE CASH ADVANCE FACILITY — LETTER OF OFFER

1 PRELIMINARY

1.1 Offer

National Australia Bank Limited ABN 12 004 044 937 (***Bank***) is pleased to offer Sims Metal Management Limited ABN 69 114 838 630 (***Sims***) and each other Original Borrower listed in Schedule 1 below (together with Sims, each an ***Original Borrower***) a Facility, on and subject to:

(a) the terms set out in this Letter of Offer; and

(b) the terms set out in the deed entitled "Standard Terms" dated on or about the date of this Letter of Offer, between, among others, Sims and the Bank (***Standard Terms***).

This Letter of Offer, once accepted by Sims and the other Original Borrowers, supersedes all prior understandings and agreements (for the same Facility) between the Bank and the Original Borrowers, whether written or oral, except those specified in this Letter of Offer, the Standard Terms and the Security.

The Facility is also available to any Additional Borrower.

This Letter of Offer remains available for acceptance until 5.00pm on 31 March 2009, at which time it will lapse (***Offer Expiry Date***). To accept the Facility and all the terms and conditions of this Letter of Offer, please arrange for Sims and each Original Borrower to sign the accompanying copy of this letter and return it to us before the Offer Expiry Date. In this Letter of Offer, the date the last Original Borrower signs this Letter of Offer (or a counterpart) will be the ***Acceptance Date***.

2 FACILITY DETAILS

FACILITY DETAILS

2.1 Maximum amount of financial accommodation available to all Borrowers at any time during the Availability Period:

A$100,000,000.00 (as reduced, the ***Commitment***).

That maximum applies to the Borrowers as a whole and is not a limit applying to each Borrower individually.

2.2 Cancellation:

Sims may cancel all or part of the undrawn Commitment on twenty (20) Business Days' notice to the Bank. A partial cancellation must be at least A$5,000,000 and a whole multiple of A$1,000,000. Once given, the notice is irrevocable. The Commitment reduces by the amount of any cancellation.

The Commitment will be automatically cancelled on the last day of the Term or as otherwise agreed in writing.

2.3 Margin:

The Margin is payable on Advances drawn under the Facility and will vary as set out in the following grid calculated as at the relevant time based on Total Finance Debt and EBITDA as disclosed in the most recent Financial Report provided to the Bank).

Total Finance Debt / EBITDA	**Margin**
[*]	[*]

2.4 Nature of Facility:

The Facility is revolving.

2.5 Interest Rate:

For each Advance having an Interest Period of 7 days, 14 days or 1, 2, 3, 4, 5 or 6 months, the Base Rate (as defined in clause 9) plus the Margin (determined at the same time as the Base Rate is determined for an Interest Period) and (in the case of Advances denominated in Alternative Currencies) the Mandatory Cost, as applicable if the Bank is required to comply with any requirements of any of the Bank of England, or the Financial Services Authority (or, in either case, any other authority which replaces or all any of its functions) or the European Central Bank, as calculated under the formulae attached to this letter.

2.6 Term:

The period:

- from the Acceptance Date;
- to the date which is 2 years after the Acceptance Date, subject to extension under clause 2.7 of the terms of this Letter of Offer (***Repayment Date***).

2.7 Extension of Term:

(a) On or around the date that is 1 year prior to the then current Repayment Date, the Bank may, at its option (without being obliged to do so), by notice in writing to Sims, extend the Facility by 12 months from the then current Repayment

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Date on such terms as determined by the Bank at the time it gives notice. Such notice will be effective upon the date stated in the notice.

(b) If the Bank does not notify Sims in writing that it chooses to extend the Facility, the then current Repayment Date will continue to apply.

2.8 Repayment: In one sum the total of the Advances on the Repayment Date.

2.9 Fees:

– [*] **[*]**

– Commitment fee Sims must pay a fee of **[*]** of the applicable Margin on the relevant day, calculated on the daily amount of the undrawn portion of the Commitment from the date Sims signs this Letter of Offer, payable in arrears on the last Business Day of each calendar quarter and on the day the Commitment is cancelled (or at other intervals designated by the Bank from time to time). The Commitment Fee is calculated on actual days elapsed using a 365 day year.

2.10 Purpose: For acquisition financing and for general corporate purposes.

2.11 Security: ◆ Guarantee dated on or about the Acceptance Date between Sims and others.

◆ The Standard Terms.

3 DRAWINGS

3.1 Facility

(a) Sims and any Borrower can draw an Advance under the Facility on any Business Day.

(b) If a Borrower wants a drawdown, it agrees to give a Drawdown Notice to the Bank by fax (with original to follow promptly):

(i) for a drawing in Australian dollars, by 10.00 am (Sydney time) on the second Business Day before the Business Day it wants the drawdown at the Sydney Branch; or

(ii) for a drawing in an Alternative Currency, by 10.00 am (Sydney time) on the third Business Day before the Business Day it wants the drawdown at the Bank's Offshore Banking Unit through the Transaction Management Group address, copied to the Sydney Branch.

(c) A Drawdown Notice is effective when the Bank actually receives it in legible form. An effective Drawdown Notice is irrevocable.

(d) The currency of each Advance shall be Australian dollars, US dollars, Pounds Sterling, Euros or, subject to availability, another Alternative Currency.

(e) The Original Dollar Amount of all outstanding Advances together with the Original Dollar Amount of any requested Advance must not exceed the Commitment.

(f) Advances in Australian dollars will be made by the Sydney Branch.

(g) Advances in Alternative Currencies will be made by:

(i) the Bank's Offshore Banking Unit at the Bank's absolute discretion, but only if the Borrower of the relevant Advance is not a resident of Australia for tax purposes and also not acting through a permanent establishment in Australia; or

(ii) in the case where the Offshore Banking Unit does not wish to provide the relevant Advance:

(A) the Sydney Branch, in the case of drawings in GBP;

(B) the Sydney Branch in the case of drawings in euro; or

(C) the Sydney Branch in the case of drawings in USD,

unless the Bank agrees otherwise.

3.2 Minimum denominations

Each Advance must have a minimum amount as follows:

(a) if in Australian dollars, A$5,000,000; with an integral multiple of A$1,000,000;

(b) if in US dollars, US$5,000,000; with an integral multiple of US$1,000,000;

(c) if in Pounds Sterling, GBP5,000,000; with an integral multiple of GBP1,000,000;

(d) if in euros, EURO5,000,000, with an integral multiple of EURO1,000,000;

(e) if in another Alternative Currency, a minimum amount and integral multiple as advised by the Bank,

or which is equal to the amount remaining for the undrawn Commitment.

Advances in no more than three (3) currencies may be outstanding at any one time.

3.3 Conditions Precedent to first drawdown

The obligations of the Bank pursuant to this Letter of Offer are subject to, and each Borrower agrees not to request the first drawdown until, the Bank has received every item listed in this clause 3.3 ("Conditions precedent to first drawdown"), each in form and substance satisfactory to the Bank:

(a) (**Bank Documents**) original signed counterparts of:

(i) this Letter of Offer;

(ii) the Standard Terms; and

(iii) the Group Guarantee;

signed and delivered by each party and, if required by the Bank, in each case evidence of its stamping and registration;

(b) (**Verification Certificates**) in relation to each Undertaking Company, a Verification Certificate dated no earlier than the Acceptance Date;

(c) **[*]**

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(d) (**disbursements**) reimbursement for the cost of any company searches the Bank may conduct in respect of this Letter of Offer; and

(e) (**company searches**) the results of all searches required by the Bank with respect to each Undertaking Company;

(f) (**Drawdown Notice**) a Drawdown Notice for the Advance in the place, and by the time, required under this Letter of Offer;

(g) (**other documents**) any other conditions precedent specified in a Bank Document;

(h) (**know your customer**) any document or other information that the Bank requests to enable the Bank to comply with its relevant know your customer and anti-money laundering requirements in connection with the transactions contemplated by the Bank Documents; and

(i) (**other information**) ensure the Bank has received all other documents and other information the Bank reasonably requests.

3.4 Conditions to all drawdowns

The Bank is not obliged to provide an Advance unless:

(a) (**Availability Period**) it is to be provided during the Availability Period; and

(b) (**Commitment**) the Bank is satisfied that after providing the accommodation the Commitment would not be exceeded; and

(c) (**Drawdown Notice**) the Bank has received a Drawdown Notice in respect of it in the place, and by the time, required under this Letter of Offer; and

(d) (**Representations and warranties**) the Bank is satisfied that the representations and warranties in clause 2 (Representations and warranties) of the Standard Terms and the statements in the Drawdown Notice are correct and not misleading at the date of the Drawdown Notice and at the date the accommodation is provided; and

(e) (**no Event of Default, Potential Event of Default, Review Event**) the Bank is satisfied that no Event of Default or Potential Event of Default, or Review Event is continuing, or would result from the accommodation being provided; and

(f) (**know your customer**) the Bank has received any document or other information that the Bank requests to enable the Bank to comply with its relevant know your customer and anti-money laundering requirements in connection with the transactions contemplated by the Bank Documents that it has not already received as a condition precedent to the first drawdown.

Each condition to drawdown is for the sole benefit of the Bank and may be waived by it.

3.5 The Bank's right to draw Bills

(a) At any time, the Bank may prepare at its cost reliquification Bills in respect of an Australian dollar Advance and deal with them as it sees fit. These Bills must mature on or before the end of the Interest Period for the Advance, and their total face amount must not be more than the total amount of principal and interest of that Advance.

(b) For value, Sims and each other Borrower irrevocably authorises the Bank (or those authorised by it) to prepare and sign those Bills on the Borrower's behalf, as drawer, endorser or both. Each Borrower irrevocably appoints the Bank and each Authorised Officer of the Bank individually as its attorney to draw the Bills and agrees to ratify all action taken by an attorney under this clause.

(c) The Bank will indemnify Sims and each other Borrower against any liability, loss, cost and expense in relation to the Bills. If a reliquification Bill is presented to Sims or a Borrower and it pays it, the amount of that payment will be taken to have been applied against the amounts it owes under this letter. Otherwise, the indemnity obligation will not affect a Borrower's obligations under this letter in any way.

(d) Sims and each Borrower must make payments in relation to an Advance even though reliquification Bills are outstanding in relation to that Advance.

4 CALCULATION OF INTEREST

4.1 Interest charges

(a) Each Borrower agrees to pay interest on each Advance made to it for each of its Interest Periods at the applicable Interest Rate.

(b) Interest accrues daily on each Advance from and including the first day of an Interest Period to but excluding the last day of the Interest Period at the Interest Rate.

(c) Interest is calculated on actual days elapsed and a year of 365 days for Australian dollars and Pounds Sterling and a year of 360 days for United States dollars and Euros. For other Alternative Currencies, the basis will be advised by the Bank.

4.2 Payment of interest

Interest in respect of an Advance will be payable by the Borrower of that Advance in arrears on each relevant Interest Payment Date and on repayment or prepayment of the relevant Advance.

4.3 Notification of Interest Periods

(a) Unless the Bank agrees otherwise, an Interest Period must be a period of 7 days or 14 days or a period of 1, 2, 3, 4, 5 or 6 months.

(b) The relevant Borrower will select, and notify the Bank of, the Interest Period for an Advance to be made to that Borrower in the Drawdown Notice.

(c) The relevant Borrower will select, and notify the Bank of, each subsequent Interest Period by written notice to the Branch that made the Advance by 10 am (local time) at least 2 Business Days before the end of the previous Interest Period. If the relevant Borrower fails to select a period or does not give correct notice, it will be taken to have selected one of 3 months.

4.4 When Interest Periods begin and end

(a) An Interest Period for an Advance begins:

(i) in the case of the first Interest Period, on the Drawdown Date; and

(ii) in the case of each subsequent Interest Period, on the last day of the previous Interest Period.

(b) If an Interest Period would end on a day that is not a Business Day, then it will end on the previous Business Day.

(c) If an Interest Period begins on a date for which there is no corresponding date in the month in which it is to end, it will end on the last Business Day of that month.

(d) The relevant Borrower must select Interest Periods for Advances so that they do not expire after the Repayment Date.

5 PAYMENT OBLIGATIONS

5.1 Interest and fees

The relevant Borrower of an Advance will, and Sims will procure that such Borrower will, pay interest (in respect of that Advance) and fees as set out in this letter.

Interest on an Advance will be paid in the currency of the Advance, to the Branch that made the Advance and fees will be paid in Australian dollars to the Sydney Branch.

5.2 Rollovers

(a) The Borrower of an Advance must repay it on the last day of its Interest Period. However, if all or part of the Advance is to be redrawn in the same currency for a further Interest Period, the amount of the Advance which is to be redrawn need not be repaid at the end of that Interest Period except as follows.

(b) The Borrower of an Advance may switch an Advance from one currency to another at the end of an Interest Period, but only by repaying the Advance in the first currency and redrawing it in the second currency. The ability of a Borrower to redraw the Advance in the second currency will be subject to the other provisions of this letter.

5.3 Repayments and prepayments

(a) (**repayments**) The Borrower of each Advance will repay the amount lent in accordance with clause 2.8 (***Repayment***) of this Letter of Offer, and in any event also repay each Advance at the end of its Interest Period except to the extent it is being redrawn.

(b) (**prepayments**) At any time the relevant Borrower may prepay all or part of the amount lent if it gives at least 5 Business Days' prior written notice. Once given, the prepayment notice is irrevocable and the Borrower is obliged to prepay in accordance with the notice. Partial prepayments must be in multiples of A$5,000,000 (or, if in an Alternative Currency, multiples that comply with the minimum denominations set out in clause 3.2 (***Minimum Denominations***). The Commitment is not reduced by amounts prepaid.

(c) (**cleandown**) If at any time the aggregate of the Equivalent Amount of all Alternative Currency Advances and the amount of all Australian Dollar Advances (the ***Current Aggregate***) exceeds 110% of the Commitment, then, if required by written notice from the Bank Sims must within the period stated in the notice (to the extent that it has borrowed an Advance) repay, or ensure that a Borrower repays, an amount sufficient to ensure that the Current Aggregate does not exceed the Commitment.

(d) (**break costs**) If a Borrower repays an Advance during its Interest Period, it must pay break costs as set out below in clause 7 (***Break Costs***).

(e) (**method of payment**) Repayments and prepayments will be made in the currency of the relevant Advance, to the relevant Branch that made the Advance or as otherwise specified by the Bank.

(f) (**redraws**) Amounts repaid or prepaid may be redrawn.

5.4 Method of payment

Sims and the Borrowers will make all payments as specified by the Bank. In the absence of a specific direction payments will be made to the Bank's accounts as follows:

USD

(a) if in US$ (in respect of Advances made by the Sydney Branch) to the following account (under reference Sims or as specified by the Bank)

Bank:	Citibank, New York
Account Name:	National Australia Bank
Account Number:	10920636
SWIFT:	CITIUS33

or such other account from time to time notified in writing by the Bank.

(b) if in US$ (in respect of Advances made by the Offshore Banking Unit) to the following account (under reference Sims or as specified by the Bank); or

Bank:	Citibank NA, New York
Account Name:	National Australia Bank Ltd. (Offshore Banking Unit)
Account Number:	36244285
SWIFT:	CITIUS33

or such other account from time to time notified in writing by the Bank.

GBP

(a) if in GBP (in respect of Advances made by the Sydney Branch) to the following account (under reference Sims or as specified by the Bank); or

Bank:	Royal Bank of Scotland, London
Account Name:	National Australia Bank
Account Number:	12231081
SWIFT:	RBOSGB2L

or such other account from time to time notified in writing by the Bank.

(b) if in GBP (in respect of Advances made by the Offshore Banking Unit) to the following account (under reference Sims or as specified by the Bank); or

Bank:	National Australia Bank Ltd, London
Account Name:	National Australia Bank Ltd. (Offshore Banking Unit)
Account Number:	3000-077801-590
SWIFT:	NATAGB2L

or such other account from time to time notified in writing by the Bank.

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Euro

(a) if in euro (in respect of Advances made by the Sydney Branch) to the following account (under reference Sims or as specified by the Bank); or

Bank:	Deutsche Bank, Frankfurt
Account Name:	National Australia Bank Limited
Account Number:	950 3954 10
SWIFT:	DEUTDEFF

or such other account from time to time notified in writing by the Bank.

(b) if in euro (in respect of Advances made by the Offshore Banking Unit) to the following account (under reference Sims or as specified by the Bank); or

Bank:	Deutsche Bank AG, Frankfurt
Account Name:	National Australia Bank Ltd. (Offshore Banking Unit)
Account Number:	9504432
SWIFT:	DEUTDEFF

or such other account from time to time notified in writing by the Bank.

(c) if in Australian dollars, to the following account (or as specified by the Bank); or

Bank:	National Australia Bank
Account Name:	OSA — Lending Administration — NSW
BSB:	082-036
Account Number:	79-172-6392

or such other account from time to time notified in writing by the Bank.

6 EXTERNAL CIRCUMSTANCES

6.1 Alternative Currency impracticability

If in the Bank's opinion:

(a) there is any change in applicable law or any change in national or international financial, political or economic conditions, currency availability, exchange rates or exchange contracts which make it impractical for a particular Advance to be denominated in the selected Alternative Currency during an Interest Period; or

(b) any necessary government approval is not obtained,

then the Bank must notify Sims promptly,

and:

(c) if the relevant Drawdown Notice requested that the Advance be made in Australian dollars if the relevant Alternative Currency was unavailable, or

(d) Sims and the Bank agree,

the Advance will be made in Australian dollars. Otherwise, the Drawdown Notice will be cancelled.

6.2 Market Disturbance

(a) (**Disturbance Notice**) The Bank may give a notice (a ***Disturbance Notice***) to Sims at any time (***Disturbance Notice Date***) if the Bank forms the view that market conditions in the relevant financial market for the currency concerned are seriously disturbed, including without limitation as a result of the conditions described in this clause 6.2 (***Market Disturbance***).

(b) (**Market Disturbance Premium**) If the Bank gives a Disturbance Notice as a result of circumstances where, in the Bank's opinion:

(i) adequate and fair means are not available for fixing the Base Rate in respect of AUD or any Alternative Currency, or

(ii) the cost to the Bank of obtaining deposits in the relevant financial market or other funds to fund an Advance exceeds the Base Rate,

the Bank will, in the Disturbance Notice, notify Sims of the rate at which the Bank (acting commercially and in good faith) will charge a premium to be added to the Interest Rate in respect of Interest Periods for each Advance which commence on or after the Disturbance Notice Date, which rate will be the rate that reflects the Bank's cost of funding the Advances from whatever sources it may reasonably select. The rate must be expressed as a percentage rate per annum and be rounded up to the nearest fourth decimal place (***Market Disturbance Premium***).

At the beginning of each calendar quarter that commences after the Disturbance Notice Date, the Bank may amend the Market Disturbance Premium that applies to new Advances advanced on or after the beginning of that calendar quarter or, in the case of existing Advances, to new Interest Periods commencing on or after the beginning of that calendar quarter.

Portions of the Market Disturbance Premium may differ for each Interest Period for an Advance and also according to which currency that Advance may be made. Despite this, the Bank need not inform any Obligor which portions of the Market Disturbance Premium relate to particular Advances, particular Interest Periods for an Advance, particular currencies for an Advance or any other factor when notifying Sims of that Market Disturbance Premium for the Facility. The Bank is not required to give Sims calculations showing how the Market Disruption Premium has been ascertained, nor is required to provide details of its business or tax affairs.

Sims agrees to pay the Market Disturbance Premium on all Advances and in respect of each Interest Period for those Advances on the relevant Interest Payment Dates during an Interest Period for that Advance provided that the Market Disturbance Premium that is to apply is advised to Sims prior to the drawdown for that Advance or the commencement of a new Interest Period.

The Bank will promptly notify Sims once it determines the circumstances requiring a Market Disturbance Premium have ceased to exist. From the time of such notice, no Market Disturbance Premium for new Advances or new Interest Periods will be payable unless a further Disturbance Notice is delivered to Sims.

Sims acknowledges and agrees the Bank has given a Disturbance Notice to it on or about the date of this Letter of Offer and that the Market Disturbance Premium will apply to the Facility and all Advances made under it in respect of the first calendar quarter during which this Letter of Offer is signed.

(c) (**Alternative Arrangements**) If the Bank gives a Disturbance Notice as a result of circumstances where, in the Bank's opinion:

(i) because of national or international financial, political or economic circumstances or exchange rates or exchange controls it is impractical for it to fund or continue to fund the Advance for the Interest Period; or

(ii) deposits in the currency concerned are not available in the ordinary course of business to the Bank in the relevant financial market, and the Disturbance Notice relates to an Advance which has not been made,

then the Bank's obligations to make the Advance shall be suspended while it and Sims negotiate alternative arrangements. If they reach agreement within 30 days, those alternative arrangements will apply. If they do not reach agreement within that period, the Bank will be released from its obligations to make the Advance.

(d) (**Alternative Basis**) If the Disturbance Notice given under paragraph (c) relates to an Advance which has been made, the Bank will maintain the Advance, and will within 30 days after giving the Disturbance Notice notify Sims of an alternative basis (Alternative Basis) for maintaining the Advance.

Sims will comply with the Alternative Basis. The Bank and Sims will consult monthly while the Alternative Basis is in force, and if the circumstances which justified the establishment of the Alternative Basis cease to apply, the Bank will revoke the Alternative Basis as promptly as practicable.

An Alternative Basis may include, in the Bank's absolute discretion:

(i) alternative currencies;

(ii) alternative Interest Periods; or

(iii) alternative methods of fixing the interest rate.

7 BREAK COSTS

If for any reason a Borrower repays an amount of an Advance during an Interest Period, then it must pay an amount certified by the Bank to be its break costs within 2 Business Days of demand. The Bank's break costs are the amount determined by it to be the costs incurred by it (including loss of margin, and the cost of liquidating or redeploying deposits), by reason of the repayment of the Advance.

8 GOVERNING LAW & JURISDICTION

This letter is governed by New South Wales law. Sims and the Borrowers accept the non-exclusive jurisdiction of the courts having jurisdiction there.

9 INTERPRETATION

9.1 Definitions

Acceptance Date has the meaning given in clause 1 of this Letter of Offer.

Advance means the outstanding principal amount of a drawdown made under the Facility.

Alternative Currency means:

(a) US dollars, Pounds Sterling or euro; or

(b) any other currency (excluding Australian dollars) agreed by the Bank in its absolute discretion which is freely transferable and convertible into US dollars.

A$, ***AUD*** or ***Australian dollars*** means the lawful currency of Australia.

Availability Period means the period from the Acceptance Date until the Repayment Date.

Base Rate means:

(a) in relation to Australian dollars, BBR;

(b) in relation to US dollars and Pounds Sterling, LIBOR;

(c) in relation to euro, EURIBOR; and

(d) in relation to other Alternative Currencies, the rate notified by the Bank to Sims or the Borrower as the Bank's funding rate for making loans in the currency concerned for the relevant Interest Period.

BBR means, for an Interest Period, the average bid rate for Bills having a tenor closest to the Interest Period as displayed on the Reuters BBSY page of the Reuters Monitor System on the first day of that Interest Period, except in respect of Advances which have a tenor of 7 days or 14 days, BBR will be the average bid rate for Bills having a tenor of 30 days. However, if:

(a) the average bid rate for the relevant tenor described above is not displayed by 10.30 am on that day or if it is displayed but there is an obvious error in that rate, BBR means the rate set by the Bank in good faith at approximately 10.30 am on that day, having regard, to the extent possible, to the rates otherwise bid for Bills of that tenor at or around that time (including any displayed on the "BBSW" page of the Reuters Monitor System). The rate set by the Bank must be expressed as a percentage rate per annum and be rounded up to the nearest fourth decimal place; or

(b) the basis on which those rates are displayed is changed to one which, in the Bank's opinion, does not reflect its cost of funding the Advance, then BBR will be the rate calculated by the Bank as its cost of raising deposits in Australian Dollars for a term comparable to the Interest Period from leading banks in the Australian Interbank Market.

Branch means the Sydney Branch and the Offshore Banking Unit, as the case may be.

Business Day means despite the terms of the Standard Terms, in relation to the drawing of Advances and the making of payments of principal and interest in respect of those Advances:

(a) for Advances made by the Offshore Banking Unit a weekday:

  (i) on which the relevant financial markets are open in Melbourne;

  (ii) on which the Offshore Banking Unit is open at its address in Melbourne;

  (iii) (in relation to any date for payment or purchase of a currency other than euro) on which banks are open for business in the principal financial centre for the relevant currency; and

  (iv) (in relation to any date for payment or purchase of euro) which is also a TARGET Day;

  but in any case not a day which is a public holiday or bank holiday in:

(A) Melbourne; or

(B) the country of the currency of the Advance; and

(b) for Advances made by Sydney Branch a weekday:

(i) on which the relevant financial markets are open in Sydney;

(ii) on which the Sydney Branch is open at its address in Sydney;

(iii) (in relation to any date for payment or purchase of a currency other than euro) on which banks are open for business in the principal financial centre for the relevant currency; and

(iv) (in relation to any date for payment or purchase of euro) which is also a TARGET Day;

but not a day which is a public holiday the country of the currency of the Advance,

(for Australian dollar Advances made by the Bank, Sydney and for purposes not connected with the Sydney Branch) means a weekday on which the Bank is open at its address in Sydney referred to above.

Commitment has the meaning given to it in clause 2.1 of this Letter of Offer.

Disturbance Notice has the meaning given to it in clause 6.2 of this Letter of Offer.

Drawdown Date means the date on which an Advance is, or is to be, made.

Drawdown Notice means a notice in the form set out in Schedule 3 to this Letter of Offer (properly completed and executed and containing the information and representations and warranties set out therein).

Equivalent Amount means, on any date, in relation to an amount in an Alternative Currency, the equivalent of that amount in Australian dollars, determined by reference to the Bank Sydney's spot rate of exchange for buying Australian dollars with the Alternative Currency two (2) Business Days before that date. For purposes of determining the unused portion of the Commitment, the Equivalent Amount shall be determined at the Drawdown Date and the first day of each subsequent Interest Period.

Extension Request means a completed notice in writing, substantially in the form of, and containing the information and representations and warranties set out in, schedule 4 ("Extension Request") and signed by an Authorised Officer of Sims.

EURIBOR in relation to any Advance denominated in Euro and for a period means (unless otherwise agreed):

(a) the percentage rate per annum determined by the Banking Federation of the European Union for Euro and the relevant period displayed on the EURIBOR page of the Reuters screen; or

(b) subject to the final paragraph below, if the screen rate specified in paragraph (a) above is not available for the period of the Advance, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Bank at its request quoted by at least three Reference Banks to leading banks in the European inter-bank market,

as of 11.00am (Brussels time) two TARGET Days before the first day of the period for the offering of deposits in Euro for a period comparable to the Interest Period of the relevant Advance.

The relevant inter-bank market for Euro and EURIBOR is the inter-bank market for Euro operating in the United Kingdom and those member states of the European Union that have adopted the single currency in accordance with legislation of the European Union relating to European Monetary Union.

For the purposes of paragraph (b), other than in respect of a period of less than one month, if the rate is not available only as a consequence of the relevant period not having a tenor quoted on the relevant screen page, then the rate will be determined by the Bank through the use of straight line interpolation by reference to two rates, one of which shall be determined as if the period were the period of time for which rates are available next shorter than the length of the period and the other of which shall be determined as if the period were the period of time for which rates are available next longer than the length of the period.

euro and **€** means the single lawful currency of a Participating Member State.

Facility means the facility made available under this Letter of Offer.

Interest Payment Date means each 90th day during, and the last day of, an Interest Period.

Interest Period means each period selected in accordance with clause 4.3 (Notification of Interest Periods) of this Letter of Offer.

Interest Rate means the interest rate set out in clause 2.5 (Interest Rate) Letter of Offer.

LIBOR in relation to an Interest Period means the offered rate for deposits in USD or GPB for a period comparable to the relevant Interest Period which appears on Reuters Screen LIBOR01 at or about 11.00am (London) time 2 Business Days before the first day of the Interest Period (or, for Pounds Sterling on the first day of the Interest Period). If, however, there are no rates displayed for a term comparable to that Interest Period, or the basis on which those rates are displayed is changed to one which, in the Bank's opinion, does not reflect its cost of funding the Advance, then LIBOR will be the rate calculated by the Bank as its cost of raising deposits in that currency for a term comparable to the Interest Period from leading banks in the London Interbank Market.

Offshore Banking Unit means the Bank's offshore banking unit located at the date of this agreement in Melbourne.

Original Dollar Amount means, in relation to an Australian dollar Advance, the Australian dollar amount specified for that Advance, and in relation to an Alternative Currency Advance the Equivalent Amount on its Drawdown Date and the first day of each subsequent Interest Period (whether an Interest Period for that or any other Advance) as reduced from time to time by the Equivalent Amount of repayments or prepayments.

Participating Member State means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to the European monetary Union.

Pounds Sterling, ***Sterling***, ***British pound***, ***GBP*** and **£** refer to the lawful currency of the United Kingdom.

Reference Banks means:

(a) BNP Paribas;

(b) Calyon;

(c) HSBC Bank plc; and

(d) The Royal Bank of Scotland plc.

Repayment Date has the meaning given in clause 2.6 of this Letter of Offer.

Standard Terms has the meaning given to that phrase in clause 1.1 of this Letter of Offer.

Sydney Branch means the Sydney Branch of the Bank.

TARGET means Trans-European Automated Real-Time Gross Settlement Express Transfer payment system.

TARGET Day means any day on which TARGET is open for the settlement of payments in euro.

United States dollars, ***USD*** or ***US$*** refer to the lawful currency of the United States of America.

9.2 Interaction with the Standard Terms

(a) Each Borrower acknowledges that this is a Bank Document for the purposes of the Standard Terms.

(b) On execution of this Letter of Offer, the provisions of the Standard Terms (subject to paragraph (d) below) are incorporated into this Letter of Offer.

(c) A term which has a defined meaning (including by reference to another document) in the Standard Terms has the same meaning when used in this Letter of Offer unless it is expressly defined in this Letter of Offer, in which case the meaning in this Letter of Offer prevails.

(d) Where a conflict arises between a provision of the Standard Terms and this Letter of Offer, the Standard Terms will prevail unless the provision in this Letter of Offer includes words substantially to the effect of "Despite the terms of the Standard Terms", in which case the relevant provision of this Letter of Offer prevails.

SIGNED for NATIONAL AUSTRALIA BANK LIMITED by its Authorised Officer

_____

Mino Piredda
Director, Industrials
Institutional Banking
nab Capital, A division of National Australia Bank Limited

[*] Confidential Treatment Requested

SCHEDULE 1 — ORIGINAL BORROWER

NAME OF COMPANY	corporation number	jurisdiction of incorporation / registration / organisation
Sims Metal Management Limited	ACN 114 838 630 ABN 69 114 838 630	Australia
Sims Group Australia Holdings Limited	ACN 008 634 526 ABN 37 008 634 526	Australia
Sims Group UK Limited	3242331	United Kingdom
Sims Group UK Holdings Limited	2904307	United Kingdom
Mirec BV	17073024	The Netherlands
Sims Recycling Solutions AB	N/A	Sweden
Sims Group USA Corporation	N/A	Delaware
Sims Group Global Trade Corporation	N/A	Delaware
North Carolina Resource Conservation, LLC	N/A	North Carolina
Sims Group USA Holdings Corporation	N/A	Delaware
Schiabo Larovo Corporation	N/A	Delaware
Simsmetal East LLC	N/A	Delaware
Simsmetal West LLC	N/A	Delaware
Metal Management, Inc.	N/A	Delaware
Metal Management Alabama, Inc.	N/A	Delaware
Metal Management Arizona, L.L.C.	N/A	Arizona
Metal Management Connecticut, Inc.	N/A	Delaware
Metal Management Memphis, L.L.C.	N/A	Tennessee
Metal Management Midwest, Inc.	N/A	Illinois
Metal Management Mississippi, Inc.	N/A	Delaware
Metal Management Northeast, Inc.	N/A	New Jersey
Metal Management Ohio, Inc.	N/A	Ohio
Metal Management West, Inc.	N/A	Colorado
Proler Southwest LP	N/A	Texas
Metal Dynamics Detroit LLC	N/A	Delaware

[*] Confidential Treatment Requested

SCHEDULE 2 — FORM OF DRAWDOWN NOTICE

TO: National Australia Bank Limited
Level 24
255 George Street
Sydney NSW 2000
Fax: +61 2 9237 1888

Attention: Director, Industrials

[in the case of an Alternative Currency] with a copy to:

National Australia Bank Limited
Transaction Management Group
Level 31
500 Bourke Street
Melbourne Victoria 3000
Fax: +61 3 8641 3590
Email: tmg@nab.com.au

Attention: Lisa Allen

[Date]

Drawdown Notice — A$100,000,000.00 Multicurrency Revolving Floating Rate Cash Advance Facility — Letter Of Offer Dated [•] March 2009 between National Australia Bank Limited, Sims Metal Management Limited and Others ("Facility Letter")

I refer to the Facility Letter.

I am authorised to give this notice[1], which is irrevocable, on behalf of the [Sims as agent for the Borrower] / [Borrower] referred to below.

Under clause 3.1 ("Facility") of the Facility Letter, we wish to draw under the Facility:

(a) the requested Drawdown Date is [ ];

(b) the amount of the proposed drawdown is[2] A$[*] / GBP [*] / USD [*] / EURO [*] / [other Alternative Currency] [*] on [a Business Day][3];

(c) with an initial Interest Period of [ ][4]

[If [Alternative Currency] is not available please provide the Advance in Australian dollars].

The Loan [is intended / is not intended] to be utilised for the purposes of any Australian business covered by the Borrower and the Borrower [is / is not] resident in Australia for tax purposes or acting through a permanent establishment in Australia.

The Borrower represents and warrants that the representations and warranties in the Standard Terms by the Borrower in the letter are true, correct and not misleading as of today.

No Event of Default has occurred. No breach or other Potential Event of Default has occurred.

The Borrower has [has not] complied with its undertakings in the Facility Letter.

---

1 All items must be completed.

2 The amount of the proposed drawdown must be a minimum amount as specified in clause 3.2 (Minimum Denominations) of the Facility Letter, with an integral multiple of the amount specified in that same clause.

3 Must be a Business Day within the Availability Period.

4 Must be an Interest Period as set out in clause 4.3 (Notification of Interest Periods) of the Facility Letter.

[*] Confidential Treatment Requested

Please pay the drawing as follows:

Account number: [ ]

Account name: [ ]

Bank: [ ]

Branch: [ ]

BSB: [ ]

The Borrower represents and warrants that the representations and warranties in the A$ Loan Agreement are correct and not misleading on the date of this notice and that each will be correct and not misleading on the Drawdown Date.

The "Interpretation" clause of the Facility Letter applies to this notice as if it was fully set out in this notice (including those defined terms in that "Interpretation" clause incorporated into that clause by reference to another Bank Document).

Dated [*]

_____

SIGNED for [name of Borrower]

[To be signed by Authorised Officer whose signatures and status have been verified to the Bank].

[*] Confidential Treatment Requested

SCHEDULE 3 — MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Bank shall calculate, as a percentage rate, a rate (the **"Additional Cost Rate"**) in accordance with the paragraphs set out below.

3. The Additional Cost Rate will be calculated as follows:

   (a) in relation to a sterling Advance:

$$\frac{AB - C(B - D) - E \times [*]}{100 - (A + C)} \text{ per cent.per annum}$$

   (b) in relation to an Advance in any currency other than sterling:

$$\frac{E \times [*]}{300} \text{ per cent.per annum}$$

   Where:

   A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which the Bank is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

   B is the percentage rate of interest (excluding the Margin and the Mandatory Cost) payable for the relevant Interest Period on the Advance.

   C is the percentage (if any) of Eligible Liabilities which the Bank is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

   D is the percentage rate per annum payable by the Bank of England to the Bank on interest bearing Special Deposits.

   E is the rate of charge payable by the Bank to the Financial Services Authority pursuant to the Fees Regulations (but, for this purpose, ignoring any minimum fee required pursuant to the Fees Regulations) and expressed in pounds per £1,000,000 of the Fee Base of that Lender.

For the purposes of this Schedule:

(a) **"Eligible Liabilities"** and **"Special Deposits"** have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) **"Fees Regulations"** means the Banking Supervision (Fees) Regulations 1999 or such other law or regulation as may be in force from time to time in respect of the payment of fees for banking supervision; and

(c) **"Fee Base"** has the meaning given to it, and will be calculated in accordance with, the Fees Regulations.

[*] Confidential Treatment Requested

4. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

5. If, in the reasonable opinion of the Bank, the above formulae or definitions are incorrect or erroneous or inapplicable, the Bank is entitled by notice to Sims to change the relevant formulae or definitions so as to ensure that the Additional Cost Rate is sufficient to compensate the Bank for the cost of compliance with (a) the requirements of the Bank of England, the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank (or any other authority which replaces all or any of its function).

6. Bank may from time to time, after consultation with Sims determine and notify to Sims any amendments which are required to be made to this attachment in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on Sims and the Borrowers.

[*] Confidential Treatment Requested

Signed by
Sims Metal Management Limited
in accordance with section 127(1) of
the Corporations Act 2001 (Cwlth)
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Sims Group Australia Holdings Limited
in accordance with section 127(1) of
the Corporations Act 2001 (Cwlth)
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Sims Group UK Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Sims Group UK Holdings Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Mirec BV
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Sims Recycling Solutions AB
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Executed by
Sims Group USA Corporation
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Sims Group Global Trade Corporation
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
North Carolina Resource Conservation, LLC
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Sims Group USA Holdings Corporation
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Schiabo Larovo Corporation
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Simsmetal East LLC
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Simsmetal West LLC
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Alabama, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Arizona, L.L.C.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Connecticut, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Memphis, L.L.C.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Midwest, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Mississippi, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Northeast, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Ohio, Inc.
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management West, Inc.
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Proler Southwest LP
by its officer

_____

Signature of officer

_____

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Dynamics Detroit LLC
by its officer

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Exhibit 4.27

2 November 2009

The Directors
Sims Metal Management Limited
Sir Joseph Banks Corporate Park
Suite 3, Level 2
32-34 Lord Street
Botany NSW 2019

Attention: Mr. Peter Ricketts

Dear Sirs,

STANDARD TERMS

Sims Metal Management Limited ACN 114 838 630 (***Sims***) and its subsidiaries listed in the attached Schedule 1 (***Original Borrowers***) have asked National Australia Bank Limited (***Bank***) to give credit, or to continue to provide it, to any one or more of them.

In exchange for the Bank doing all or any of those things, each Undertaking Company (as defined below) agrees to the following terms.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed the following definitions apply in addition to those above.

1 ***Accounting Standards*** mean the generally accepted accounting principles in Australia.

2 ***ACDC*** means Australian Commercial Disputes Centre Limited.

3 ***ACDC Guidelines for Expert Determination*** means the ACDC Guidelines for Expert Determination (or, if the ACDC ceases to exist, the guidelines for expert determination of any similar organisation nominated by the Law Society of New South Wales) in force from time to time.

4 ***Additional Borrower*** means any wholly owned Subsidiary of Sims which becomes, or has become, as the context may require, party to this deed as a Borrower in accordance with the terms of this deed.

5 ***Additional Guarantor*** means any party which:

(a) is a party to the Group Guarantee and which accedes, or has acceded, as the context may require, to this deed as a Guarantor in accordance with the terms of this deed; and

(b) gives any Guarantee or Security Interest in relation to the liabilities or obligations of any Undertaking Company in favour of the Bank now or in the future, on terms satisfactory to the Bank (in its absolute discretion).

6 ***Amount Owing*** means the total of all amounts which are then due for payment, or which will or may become due for payment, in connection with any Bank Document (including transactions in connection with them) to the Bank.

7 ***Authorisation*** includes any authorisation, consent, registration, filing, lodgment, agreement, certificate, notarisation, permission, licence, approval, authority, resolution or exemption, from by or with any Governmental Agency. Where a Governmental Agency can fully or partly prohibit or restrict something if it acts within a specified period after formal notification of it (for example lodgment, registration or filing), Authorisation includes the expiry of that period without that action.

8 ***Authorised Officer*** means:

(c) in the case of the Bank, a director or secretary of the Bank or an officer of that party whose title contains the word "director", "chief", "head", "president", "executive" or "manager", or a person performing the functions of any of them, or any other person appointed by that party as an Authorised Officer for the purposes of the Bank Documents; and

(d) in the case of the Undertaking Company, a director or secretary or any other person appointed by the Undertaking Company as an Authorised Officer for the purposes of the Bank Documents.

9 ***Bank Document*** means:

(e) this deed;

(f) the Letter of Offer;

(g) the Group Guarantee;

(h) any Hedging Agreement entered into by any Undertaking Company and the Bank; and

(i) any document which an Undertaking Company acknowledges in writing to be a Bank Document;

(j) any document which is entered into, or given under, or for the purposes of, amending any Bank Document; and

(k) any other present or future document, agreement or arrangement (whether or not in writing):

(i) to which any Undertaking Company is or becomes a party with the Bank; or

(ii) under which obligations are owed by any Undertaking Company to the Bank,

in each case, whether or not other parties are involved and whether or not it arises as a result of an assignment or transfer.

10 ***Basel II*** means any regulatory standards imposed by the Australian Prudential Regulation Authority on banks (based on the guidelines known as Basel II developed by the Basel Committee on Banking Supervision of the Bank for International Settlements) in relation to the way in which banks measure and meet their capital requirements on a risk-weighted basis.

11 ***Bill*** has the meaning it has in the Bills of Exchange Act 1909 (Cwlth) and a reference to the drawing, acceptance or endorsement of, or other dealing with, a Bill is to be interpreted in accordance with that Act.

12 ***Borrower*** means each Original Borrower and each Additional Borrower.

13 ***Business Day*** means a day on which banks are open for general banking business in Sydney and Melbourne (not being a Saturday, Sunday or public holiday in that place).

14 ***Calculation Date*** means 30 June and 31 December in each year.

15 ***Calculation Period*** means each period of 12 months ending on a Calculation Date.

16 ***Capital Reduction*** has the meaning given in clause 4(s).

17 ***Cash*** means cash as disclosed against the heading "Cash" in the consolidated audited and unaudited Financial Reports of the Sims Group.

18 ***Change in Law*** has the meaning given to it in clause 10.1 (***Increased Costs***).

19 ***Compliance Certificate*** means a certificate in the form of Schedule 3.

20 ***Contingent Liability*** means uncalled capital held by any member of the Sims Group in any corporation other than another member of the Sims Group and any other contingent liability under a Guarantee given by any member of the Sims Group to any person.

21 ***Control*** of a corporation includes the direct or indirect power to directly or indirectly:

(l) direct the management or policies of the corporation; or

(m) control the membership of the board of directors,

22 whether or not the power has statutory, legal or equitable force or is based on statutory, legal or equitable rights and whether or not it arises by means of trusts, agreements, arrangements, understandings, practices, the ownership of any interest in shares or stock of the corporation or otherwise.

23 ***Controller*** has the meaning it has in the Corporations Act.

24 ***Costs*** includes costs, charges and expenses, including those incurred in connection with advisers.

25 ***Deed of Cross Guarantee*** means any deed entered into in connection with the granting by the Australian Securities & Investments Commission of an order pursuant to Part 2M.6 of the Corporations Act.

26 ***Dispute*** has the meaning given in clause 14.16(d).

27 ***Drawdown Notices*** has the meaning given to that term in any Bank Document.

EBITDA means for a relevant period and in respect of the Sims Group, the profit on ordinary activities before:

(n) taxation;

(o) Net Interest Expense; and

(p) amortisation of Intangible Assets and depreciation of tangible assets of the Sims Group,

as shown on a consolidated basis and as disclosed in the Sims Group's most recent audited consolidated annual Financial Reports or semi-annual audited or unaudited consolidated Financial Reports, as applicable.

For the purposes of calculating EBITDA, the calculation will exclude:

(q) any significant non-cash items or items disclosed as required by AASB 101.97 and AASB 101.98 due to their size or nature or by the corresponding provisions of future

revisions of this accounting standard, that are of a or non-recurring nature including but not limited to:

(i) losses or gains on the sale or revaluation of assets;

(ii) costs relating to restructuring and redundancy;

(iii) discontinued operations;

(iv) discounts on acquisition and gains on formation of joint ventures;

(v) post acquisition adjustments to contingent liabilities recorded on the date of a business acquisition pursuant to purchase accounting rule changes introduced on 1 July 2009; and

(vi) costs associated with becoming Sarbanes-Oxley Act compliant (as required following Sims Group's registration as an issuer in the United States of America);

(r) significant unrealized gains or losses;

(s) any other significant non-cash items or items including but not limited to:

(i) write downs of inventory to net realisable value;

(ii) revaluation increments to inventory; and

(iii) forgone profit arising from sales contract negotiations; and

(t) any impairment charge or loss (or gain or reversal) relating to the recoverable amount of assets (including any impairment charge relating to goodwill or identified Intangible Assets),

that are of a non recurring nature.

The foregoing adjustments to EBITDA in paragraphs (d) to (f) for each Calculation Period will be agreed by the Bank and Sims in writing prior to the end of that Calculation Period, subject to the operation of clause 14.16.

Except for the purpose of calculating the ratio of Net Interest Expense to EBITDA under clause 5(b), EBITDA as calculated on any Calculation Date will be adjusted to take into account the effects of any acquisitions or disposals of any company or business made during the Calculation Period ending on that Calculation Date. The adjustments will be made on the basis of the historical EBITDA of the company or business acquired or disposed of in the Calculation Period and ending on that Calculation Date by reference to historical EBITDA for the twelve months immediately preceding the Calculation Date and by reference to:

(a) in the case of a disposal, the period of time during which the applicable company or business was part of the Sims Group; or

(b) in the case of an acquisition, for that period being the twelve months immediately preceding the Calculation Date.

28 ***Environment*** means all aspects of the surroundings of human beings, including:

(c) the physical characteristics of those surroundings, such as land, the waters and the atmosphere;

(d) the biological characteristics of those surroundings, such as animals, plants or other forms of life; and

(e) the aesthetic characteristics of those surroundings, such as their appearance, sound, smells, tastes and textures.

29 ***Environmental Law*** means a law regulating or otherwise relating to the Environment, including any law relating to land or water use, planning, building, heritage, coastal protection, water catchments, pollution, noise, smell, soil or ground water contamination, soil conservation, nature conservation, chemicals, waste, use of dangerous goods or Hazardous Materials, noxious industry or any other aspect of protection of the Environment or any person or property.

30 ***ERISA*** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations thereunder.

31 ***ERISA Affiliate*** means all members of a controlled group of corporations and all trades and businesses (whether or not incorporated) under common control and all other entities which, together with an Undertaking Company and any Subsidiary are treated as a single employer under any or all of Sections 414(b), (c), (m) or (o) of the United States Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations thereunder.

32 ***Event of Default*** has the meaning given in clause 6 (***Events of Default***) below.

33 ***Finance Debt*** includes any indebtedness, present or future, actual or contingent in relation to money borrowed or raised or any other financing. It includes any such indebtedness under or in respect of any of the following: a Guarantee, a discounting arrangement, a finance lease or similar agreement, hire purchase, deferred purchase price (for more than 90 days), redeemable preference share (which is a debt under generally accepted accounting principles) or an obligation to deliver property or provide services paid for in advance by a financier.

34 ***Financial Report*** means a financial report consisting of:

(f) financial statements; and

(g) any notes to those financial statements; and

(h) any directors' declaration about the financial statements and notes,

35 together with any reports (including any directors' reports) attached to any of those documents or intended to be read with any of them.

36 ***Financial Undertakings*** means the financial undertakings under clause 5.

37 ***Fixed Charges*** means for any period, with respect to the Sims Group, the sum of:

(i) the aggregate amount of interest paid or accrued in respect of moneys borrowed or raised or in respect of any financial accommodation on a consolidated basis (including without limitation amortisation of original issue discounts on any such moneys or accommodation, commissions, discounts and facility, acceptance, usage and issuance and any other fees and charges with respect to any Guarantee, promissory note or acceptance or any discounting arrangements);

(j) all but the principal component of rentals in respect of capitalised rent paid, accrued or scheduled to be paid or accrued on a consolidated basis during such period; and

(k) dividends paid, accrued or scheduled to be paid or accrued on a consolidated basis in respect of shares or stock which are Finance Debt during the relevant period.

38 ***German Guarantor*** means a Guarantor which is incorporated in, resident in or whose principal area of business is in Germany.

39 ***Governmental Agency*** includes any government, or any government, semi-government or judicial agency or authority.

40 ***Group Guarantee*** means the document so entitled dated on or about the date of this deed between the Bank, Original Guarantors and Original Borrowers.

41 ***Guarantee*** means any guarantee, indemnity, letter of comfort or other assurance against loss. It includes any obligation to be responsible for the solvency or financial condition of another party, or for payment of a debt or obligation of another party, either directly or indirectly (for example, by acquiring the debt or obligation).

42 ***Guaranteed Share*** means any share or stock issued by a member of the Sims Group where redemption of such share or stock or the payment of capital or dividends on such share or stock is the subject of a Guarantee of a member of the Sims Group or a Guarantee of another person who will have recourse in respect of its liability under that Guarantee directly or indirectly to a member of the Sims Group or its assets (other than as a shareholder).

43 ***Guarantor*** means:

(l) any Original Guarantor which is also party to the Group Guarantee; and

(m) each Additional Guarantor.

44 ***Guarantor Group*** means all Original Guarantors and any other Subsidiaries who become a party to the Group Guarantee and this deed, in accordance with the terms set out in this deed, to ensure compliance with clause 4(l) (***Guarantors***).

45 ***Hazardous Materials*** shall mean any flammable materials, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or similar materials defined as such in any law concerning any Hazardous Material, or environmental protection or health and safety.

46 ***Hedging Agreement*** means each interest rate, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement entered into by an Undertaking Company, including any master agreement and any transaction or confirmation under it.

47 A person is ***Insolvent*** if:

(n) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

(o) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or

(p) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent which does not have, or is not likely to have, a Material Adverse Effect); or

(q) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or

(r) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

(s) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Bank reasonably deduces it is so subject); or

(t) it is otherwise unable to pay its debts when they fall due; or

(u) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

48 ***Intangible Assets*** include all goodwill, copyright, patents, trade marks and licences, research and development, future income tax benefit, underwriting and formation expenses and other items of a like nature which according to current accounting practices are regarded as unidentifiable and intangible assets.

49 ***ISDA Master Agreement*** has the meaning given in clause 2(y).

50 ***Issue*** means any dispute (other than a dispute that is frivolous or vexatious) between Sims and the Bank as to the calculation of the adjustments to be made in accordance with paragraphs (d) to (g) of the definition of EBITDA in this clause 1.1.

51 ***Latest Audited Consolidated Balance Sheet*** means the most recently prepared audited consolidated balance sheet of the Sims Group, or if a half yearly unaudited balance sheet has been prepared more recently, the half yearly balance sheet, as at or prior to the date at which an examination is being made to determine Total Indebtedness, Total Tangible Assets, current assets, current liabilities or Shareholders Funds.

52 ***Letter of Offer*** means the letter of offer dated on or about the date of this deed between the Bank, Sims Metal Management Limited and others.

53 ***Material Adverse Effect*** means a material adverse effect on:

(v) the financial condition of the Undertaking Companies (taken as a whole);

(w) any Undertaking Company's ability to perform any of its obligations under any Bank Document;

(x) the validity or enforceability of the whole or any material part of any Bank Document, or any material rights or remedies of the Bank under the Bank Documents; or

(y) any encumbrance provided to the Bank by any Undertaking Company.

54 ***Net Interest Expense*** means for any period, the aggregate (without double counting) of all interest paid or accrued during that period in respect of any Finance Debt of the Sims Group (including any fees and charges with respect to any guarantee, indemnity or letter of credit or under any bill of exchange, promissory note or any other acceptance or discounting arrangement and any finance charges paid or payable under any hire purchase agreement or lease agreement for which a member of the Sims Group is actually or contingently liable) less any interest income of the Sims Group during that period.

Notification has the meaning given in clause 14.16(b).

55 ***Original Borrowers*** has the meaning given to that term in the first paragraph of this letter.

Original Guarantors means the guarantors listed in Schedule 2.

56 ***Other Documents*** means those agreements, in the substantially same form as this deed, or in substantially the same form as this deed together with any letter of offer in substantially the same form as the Letter of Offer into which any Relevant Company has entered as borrower, or will enter as borrower, with any other party.

57 ***Other Hedging Arrangements*** means arrangements that SGAHL enters into after the date of the ISDA Master Agreement, with any other party in the ordinary course of business to manage SGAHL's exposure to future movements in interest or currency rates or other similar rates, prices or indices (excluding any transactions conducted through any registered futures exchange and any transactions in respect of commodity prices).

58 ***Potential Event of Default*** means an event which, with the giving of notice or lapse of time, would be likely to become an Event of Default.

59 ***Related Entity*** has the meaning it has in the Corporations Act.

60 ***Relevant Company*** means any Undertaking Company or any Subsidiary of any of them.

61 ***Review Event*** has the meaning given in clause 8 (***Review***) below.

62 ***Secured Indebtedness*** means at any time the aggregate amount of all secured liabilities of any corporation or other entity within the Sims Group.

63 ***Security Interest*** includes any mortgage, pledge, lien, charge or other security or any arrangement which gives a creditor a preferential right to an asset or its proceeds.

64 ***SGAHL*** means Sims Group Australia Holdings Limited.

65 ***Shareholders' Funds*** means Total Tangible Assets less Total Indebtedness.

66 ***Sims Group*** means Sims and its Subsidiaries.

67 ***Subsidiary*** of an entity means another entity which:

(z) is a subsidiary of the first entity within the meaning given in the Corporations Act; and

(aa) is part of the consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares, or would be if the first entity was required to prepare consolidated financial statements.

68 ***Tangible Assets*** means all assets other than Intangible Assets.

69 ***Tax Act*** means the Income Tax Assessment Act 1936 (Cwlth) or the Income Tax Assessment Act 1997 (Cwlth), as the context requires.

70 ***Taxes*** means taxes, levies, imposts, charges and duties (including stamp and transaction duties and financial institutions duty and debits tax) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of the Bank.

71 ***TNW*** means Shareholders' Funds less Intangible Assets.

72 ***Total Finance Debt*** means at any time all Finance Debt that would be included in the calculation of Total Indebtedness.

73 ***Total Indebtedness*** means at any time the aggregate amount (as disclosed by the Latest Audited Consolidated Balance Sheet) of all secured and unsecured liabilities of the Sims Group together with, unless already included in the Latest Audited Consolidated Balance Sheet:

(bb) the aggregate amount (as disclosed by its latest audited balance sheet) of all secured and unsecured liabilities of any entity which has become a member of the Sims Group since the date of the Latest Audited Consolidated Balance Sheet and all other amounts which would be included in this definition if references to the Latest Audited

Consolidated Balance Sheet were to be to the latest audited balance sheet of that entity;

(cc) the unrepaid principal (or its equivalent) of any Finance Debt where the proceeds or benefits of that Finance Debt:

(i) have been received by any member of the Sims Group, since the date of the Latest Audited Consolidated Balance Sheet, excluding the amount of any such proceeds which have been applied in reduction of any secured or unsecured liabilities included in this definition; or

(ii) are to be received by any member of the Sims Group and the receipt of such proceeds or benefits has been underwritten or otherwise assured to the satisfaction of the auditor of the Sims Group;

(dd) the paid up capital amount and accrued but unpaid dividends of Guaranteed Shares;

and after:

(ee) deducting:

(i) the aggregate amount of all secured and unsecured liabilities of any entity which has ceased to be a member of the Sims Group since the date of the Latest Audited Consolidated Balance Sheet and in respect of which no other member of the Sims Group has any liability; and

(ii) the aggregate amount of all liabilities which in the opinion of the auditor of the Sims Group have been defeased in such a way as to enable any such liability to be considered as having been extinguished within the meaning of paragraph 30 of Australian Accounting Standard AAS23; and

(iii) debt reductions of the type referred to in (b)(iii) of the definition of "Total Tangible Assets";

(ff) eliminating all inter-entity balances among the member of the Sims Groups or any of them (including any member of the Sims Group which has become one since the date of the Latest Audited Consolidated Balance Sheet); and

(gg) making such further adjustments (including, without limitation, elimination of any double counting arising in relation to any Guarantee and the obligation or indebtedness that is the subject of the Guarantee) which in the opinion of the auditor of the Sims Group are appropriate to make a proper determination of the total amount of the aggregate indebtedness of the members of the Sims Group.

74 In this definition, references to "secured and unsecured liabilities" shall include (without limiting the generality of the expression) all Finance Debt and provisions for estimated liabilities for income taxes, long service leave and dividends recommended, declared or accrued but unpaid and provisions for any Contingent Liability but shall not include paid up share capital (other than Guaranteed Shares), reserves of any nature or undistributed profits;

75 ***Total Tangible Assets*** means at any time the aggregate of the book values, as disclosed by the Latest Audited Consolidated Balance Sheet, of all Tangible Assets of the Sims Group and of such Intangible Assets of the Sims Group as the Bank in its sole and absolute discretion may from time to time agree, together with, (unless already included in the Latest Audited Consolidated Balance Sheet):

(hh) the aggregate (as disclosed by its latest audited balance sheet) of the book value of the Tangible Assets as determined by the auditor of the Sims Group (after making provisions for depreciation and bad and doubtful debts and any income yet to mature)

of any entity which has become a member of the Sims Group since the date of the Latest Audited Consolidated Balance Sheet;

(ii) the aggregate proceeds of:

(i) any issue of shares or stock (including premium) of any member of the Sims Group received since the balance date of the Latest Audited Consolidated Balance Sheet; and

(ii) the aggregate proceeds of any calls on partly paid shares made by any member of the Sims Group which have been received since the balance date of the Latest Audited Consolidated Balance Sheet,

excluding the amount of any such proceeds which:

(iii) have been applied in reduction of any secured or unsecured liabilities included in the definition of "Total Indebtedness"; or

(iv) have been applied in acquiring any assets included in Total Tangible Assets under this definition;

(jj) the book value of any Tangible Assets (not excluded as provided below) acquired since the date of the Latest Audited Consolidated Balance Sheet by any member of the Sims Group with the proceeds of the sale of shares or units in any entity which has ceased to be a member of the Sims Group since that date;

(kk) the book value of all assets which are or may be leased, chartered, hired, managed, used or operated under a finance lease (where the capitalised rent has been included in Total Indebtedness) as determined by the auditor of the Sims Group at least annually or (at the option of Sims) the value as at the date of calculation as assessed by a qualified independent valuer chosen by Sims and approved by the Bank);

(ll) the proceeds of any Finance Debt referred to in paragraph (b) of the definition of "Total Indebtedness" excluding the amount of any proceeds which:

(i) have been applied in reduction of any other secured or unsecured liabilities included in that definition; or

(ii) have been applied in acquiring any assets included in Total Tangible Assets under this definition;

(mm) (if a revaluation of a Tangible Asset of any member of the Sims Group has been carried out by an independent valuer approved by the Bank), the excess (if any) of the fair value of that Tangible Asset as established by the valuer over its book value (as disclosed in the Latest Audited Consolidated Balance Sheet or, in the case of any entity which has become a member of the Sims Group since the Latest Audited Consolidated Balance Sheet, as disclosed in the latest audited balance sheet of that entity) and as accepted by the auditor of the Sims Group without qualification;

and after deducting:

(nn) the amount of any income yet to mature and the amount of provisions for depreciation and for bad and doubtful debts as disclosed by the Latest Audited Consolidated Balance Sheet;

(oo) the aggregate (as disclosed by the latest audited balance sheet of the relevant entity) of the book values of the Tangible Assets of any entity which has ceased to be a member of the Sims Group since the date of the Latest Audited Consolidated Balance Sheet, other than Tangible Assets of that entity which have become assets of another

member of the Sims Group since that date (except that, where a revaluation of any asset had previously been made under Paragraph (f), the fair value of that asset as determined in accordance with that paragraph shall be used instead of the book value);

(pp) the book value of any Tangible Assets of any member of the Sims Group which have been applied since the date of the Latest Audited Consolidated Balance Sheet in the acquisition of any entity which has become a member of the Sims Group since that date (except that, where a revaluation of any asset had previously been made under paragraph (f), the fair value of that asset as determined in accordance with that paragraph shall be used instead of the book value); and

(qq) if a revaluation of a Tangible Asset of any member of the Sims Group has been carried out by an independent valuer (whether at the request of the Bank or otherwise), the excess (if any) of the book value of that Tangible Asset (as disclosed in the Latest Audited Consolidated Balance Sheet or, in the case of any entity which has become a member of the Sims Group since the Latest Audited Consolidated Balance Sheet, as disclosed in the latest audited balance sheet of that entity) over its fair value as established by the valuer and as accepted by the auditor of the Sims Group without qualification;

and after:

(rr) eliminating all inter-entity balances among any of the Sims Group (including any member of the Sims Group which has become such since the Latest Audited Consolidated Balance Sheet); and

(ss) making such further adjustments as may properly be necessary to avoid any double counting of assets or as may be required by the auditor of the Sims Group to enable a proper determination to be made of the total amount of the Total Tangible Assets;

76 ***Undertaking Company*** means each Borrower and each Guarantor and, if there are more than one, means each of them individually and every two or more of them jointly.

77 ***Verification Certificate*** means the certificate substantially in the form of Schedule 4 to this deed (***Form of Verification Certificate***) properly completed and executed and containing the information set out therein, and attaching the documents referred to therein, signed by a director of the relevant Undertaking Company, or in the case of an Undertaking Company incorporated or organised under the laws of a state in the United States of America, signed by a secretary or assistant secretary of that entity.

1.2 References to certain general terms

Unless the contrary intention appears, in a Bank Document:

(tt) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually;

(uu) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;

(vv) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually but an agreement, representation or warranty by the Bank binds the Bank individually only;

(ww) a reference to any thing (including an amount) is a reference to the whole and each part of it;

(xx) a reference to an ***"Agreement"*** includes any document or instrument of any kind, any deed, agreement or arrangement;

(yy) a reference to a document (including this deed) includes any variation or replacement of it;

(zz) the word "law" includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(aaa) a reference to Australian dollars, dollars, $ or A$ is a reference to the lawful currency of Australia;

(bbb) a reference to a time of day is a reference to Sydney time;

(ccc) the word "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;

(ddd) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(eee) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;

(fff) an Event of Default or Potential Event of Default, or Review Event is "continuing" if it has not been waived by, or remedied to the satisfaction of, the Bank;

(ggg) a reference to the Corporations Act is a reference to the Corporations Act 2001 (Cwlth);

(hhh) a reference to "know your customer checks" means any "know your customer" obligations or other identification checks or procedures in connection with any law.

1.3 Number

In a Bank Document, the singular includes the plural and vice versa.

1.4 Headings

In a Bank Document, headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of the Bank Document.

1.5 Conflict

If there is any inconsistency between the terms of this deed and the terms of any other Bank Document, the terms of that other Bank Document will prevail to the extent of the inconsistency.

1.6 Consideration

This deed is entered into in consideration of the parties incurring obligations and giving rights under this deed and for their valuable consideration. Each Undertaking Company acknowledges that the Bank is acting in reliance on the Undertaking Company incurring obligations and giving rights.

1.7 Accounting Standards

(a) Any accounting practice or concept relevant to this deed is to be construed or determined in accordance with the Accounting Standards.

(b) The Bank and each Undertaking Company acknowledges that changes in the Accounting Standards after the date of this deed may make the operation of the

financial undertakings set out in clause 5, a defined term or another clause in a Bank Document that refers to the Accounting Standards or any accounting practice or concept, inappropriate.

(c) If Sims or the Bank considers that such a change has occurred and notifies the Bank or Sims (as applicable) to that effect (the date such notice is given, the ***Notification Date***), Sims and the Bank agree to negotiate in good faith to agree to appropriate amendments to the affected clause or definition.

(d) If Sims and the Bank fail to agree on amendments to the affected clause or definition within 20 Business Days (or such other period as may be agreed between Sims and the Bank) of the Notification Date, then any references to the Accounting Standards in this deed or any other Bank Document will be deemed to be a reference to the Accounting Standards as at the date of this deed.

(e) Unless and until an agreement is reached as contemplated in this clause 1.7, the Borrowers will provide each Financial Report and Compliance Certificate together with, in each case, any reconciliation statements (audited, where applicable) necessary to enable calculation of the financial undertakings and associated definitions based on the Accounting Standards prior to the relevant change occurring and those changes will be ignored for the purposes of the financial undertakings and the relevant definitions.

2 REPRESENTATIONS AND WARRANTIES

Each Undertaking Company represents and warrants as follows:

(a) (**status**) it and each Relevant Company is a corporation, or in the case of a Relevant Company incorporated or organised under the laws of a state in the United States of America, a corporation, limited liability company or limited partnership or in the case of a Relevant Company incorporated or organised under the laws of Germany a limited liability company, duly incorporated or organised in accordance with the laws of its place of incorporation or organisation, is validly existing under those laws and is capable of suing and being sued; and

(b) (**power**) it has full power, authority and legal right to:

(i) own its assets;

(ii) carry on its business as presently conducted; and

(iii) enter into the Bank Documents to which it is a party and comply with its obligations under them; and

(c) (**no contravention or exceeding power**) the execution, delivery and performance by it of the Bank Documents to which it is expressed to be a party will not breach, or result in a contravention of:

(i) any law, regulation or authorisation;

(ii) its constitution or other constituent documents (if any); or

(iii) any limitation on its powers or the powers of its directors; or

(iv) any encumbrance or agreement which is binding on it and any of its Subsidiaries,

and will not result in:

(v) the creation or imposition of any encumbrance on any assets of it or any of its Subsidiaries other than as permitted under a Bank Document; or

(vi) the acceleration of the date for payment of any obligation under any agreement which is binding on it; and

(d) (**validity of obligations**) any Bank Document to which it is expressed to be a party is its valid and binding obligation enforceable against it; and

(e) (**corporate authority**) it has in full force and effect the authorisations necessary for it to enter into the Bank Documents to which it is a party, to comply with its obligations and exercise its rights under them and to allow them to be enforced. Each person held out as an Authorised Officer in a Verification Certificate attached to a Bank Document or other document signed by a secretary or director as authority, is authorised to sign that Verification Certificate, any Drawdown Notice or other notice on its behalf and do the other things contemplated by this deed; and

(f) (**Authorisations**) all Authorisations required:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Bank Documents to which it is a party;

(ii) to make the Bank Documents to which it is a party admissible in evidence in its jurisdiction of incorporation or organisation; and

(iii) for each Undertaking Company to carry on its business, which are material and where failure to obtain or effect any such Authorisation would have a Material Adverse Effect,

have been obtained or effected and are in full force and effect; and

(g) (**benefit**) it benefits by entering into the Bank Documents to which it is a party; and

(h) (**information is accurate**)

(i) (**Financial Reports**) its most recent consolidated and unconsolidated Financial Reports give a true and fair view of the matters with which they deal and for the periods to which they relate and comply with generally accepted accounting principles as in effect from time to time in Australia (except to the extent disclosed in them) and comply with all applicable laws;

(ii) (**no material change**) there has been no change since the date to which its most recent Financial Report given to the Bank was prepared which has had, or is likely to have, a Material Adverse Effect. It discloses all material Finance Debt and material contingent liabilities; and

(iii) (**full disclosure**) it has disclosed in writing to the Bank all facts relating to it and its Subsidiaries, the Bank Documents and all things in connection with them, which are material to the assessment of the nature and amount of the risk undertaken by the Bank in entering into the Bank Documents and doing anything in connection with them; and

(i) (**Litigation**) that no litigation, tax claim, dispute arbitration, administrative proceeding or other similar proceeding is presently current or pending or, to a Relevant Company's knowledge, threatened, which might have a Material Adverse Effect; and

(j) (**No default**) there is no subsisting Event of Default and to the best of its knowledge, there is no subsisting Potential Event of Default; and

(k) (**Environment Law**)

(i) there is and has been nothing relating to it or its business or assets which under any Environmental Law or law relating to health and safety has given rise or may give rise to substantial expenditure by it, a substantial claim against it or a requirement that it cease or substantially alter a material activity; and

(ii) other than those Authorisations which a failure to obtain or maintain is not likely to have a Material Adverse Effect, it has obtained all Authorisations it is required to obtain under any Environmental Laws and such Authorisations are in full force and effect; and

(l) (**pari passu**) its payment obligations under the Bank Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally; and

(m) (**solvency**) there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable; and

(n) (**not a trustee**) it does not enter into any Bank Document as trustee, or hold any property as trustee; and

(o) (**ownership of property**) it is the beneficial owner of and has good title to all property and all undertakings carried on by it free from any Security Interest or to any agreement to give such a Security Interest, except Security Interests permitted by clause 4(d); and

(p) (**no benefit to related party**) no person has contravened nor will contravene section 208 or section 209 of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) by entering into any Bank Document or participating in any transaction in connection with a Bank Document; and

(q) (**no financial assistance**) no person has contravened nor will contravene Part 2J.3 of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) by entering into any Bank Document or participating in any transaction in connection with a Bank Document; and

(r) (**default under law — Material Adverse Effect**) neither it nor any of its Subsidiaries is in breach of a law or obligation affecting any of them or their assets in a way which has had, or is likely to have, a Material Adverse Effect; and

(s) (**taxation**) to the best of its knowledge, information and belief, having made due enquiries, it has complied with all material laws relating to Tax in all jurisdictions in which it is subject to Tax and has paid all Taxes due and payable by it (other than those Taxes which it is contesting in good faith and in respect of which it has made adequate reserves as long as failure to pay those Taxes would not have, and is not reasonably likely to have, a Material Adverse Effect) and;

(t) (**no immunity**) neither it nor any of its Subsidiaries has immunity from the jurisdiction of a court or from legal process; and

(u) (**Governing law and enforcement**) subject to any qualification in any legal opinion provided to the Bank pursuant to this deed:

(i) the choice of law referred to in clause 14.5 (***Governing law and Jurisdiction***) as the governing law of the Bank Documents will be recognised and enforced in its jurisdiction of incorporation or organisation and in the jurisdiction referred to in that clause (if different); and

(ii) any judgment obtained against it in any jurisdiction referred to in clause 14.5 (***Governing law and Jurisdiction***) in relation to a Bank Document will be recognised and enforced in its jurisdiction of incorporation or organisation; and

(v) (**No filing or stamp taxes**) under the law of any relevant jurisdiction it is not necessary that the Bank Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp duty, registration or other similar Tax be paid on or in relation to the Bank Documents or the transactions contemplated by the Bank Documents; and

(w) (**representations true**) each of its representations and warranties contained in the Bank Documents is correct and not misleading when made or repeated; and

(x) (**"most favoured nation" — facilities**) in the reasonable opinion of Sims and unless as disclosed under clause 4(n), the terms of each Bank Document, whether alone or in combination with another Bank Document, except those terms related to pricing (including, without limitation, fees and margins), facility limits and repayment dates, are no less favourable in any material respect than the terms in any Other Bank Document; and

(y) (**"most favoured nation" — hedging**) in the reasonable opinion of Sims and unless as disclosed under clause 4(o), the terms and conditions of the ISDA Master Agreement entered or to be entered into between SGAHL and the Bank (***ISDA Master Agreement***), except those terms related to pricing and individual transactions, will be no less favourable in any material respect than the terms and conditions of the Other Hedging Arrangements; and

(z) (**ERISA**) Any Undertaking Company incorporated or organised in the United States of America and its Subsidiaries (***Sims US Company***) have operated and administered each employee benefit plan (as defined in Section 3 of ERISA) in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. No Sims US Company has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the U.S. Internal Revenue Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by a Sims US Company, or in the imposition of any lien on any of the rights, properties or assets of a Sims US Company, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the U.S. Internal Revenue Code, other than such liabilities or liens as would not individually or in the aggregate reasonably be expected to result in respect of each Sims US Company in a Material Adverse Effect (as if, for the purpose of this clause 2(z)only, each reference to "the Sims Group" in the definition of "Material Adverse Effect" in this agreement were a reference to "Sims US Company"; and

(aa) (**Federal Reserve Regulations**) No Undertaking Company is engaged principally, nor as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of the facility under the Bank Documents will be used, whether immediately, incidentally or

ultimately, for purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System;

(bb) (**Not an Investment Company**) No Undertaking Company is, nor during the term of the facility under the Bank Documents will it be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3 REPETITION OF REPRESENTATIONS AND WARRANTIES & RELIANCE

3.1 Repetition of representations and warranties

Each of the representations and warranties contained in clause 2 (***Representations and Warranties***) are made on the date of this deed and shall be repeated (by reference to the then current circumstances) on:

(a) the date of each drawdown of financial accommodation under any Bank Document; and

(b) on each Interest Payment Date (as defined in the relevant Bank Document); and

(c) the day on which a corporation or other entity becomes, or it is proposed that the corporation or other entity becomes, an Additional Borrower or Additional Guarantor (as the case may be).

3.2 Reliance

Each Undertaking Company acknowledges that the Bank has entered into the Bank Documents in reliance on the representations and warranties in clause 2 (***Representations and Warranties***) and repeated under this clause 3 (***Repetition of Representations and Warranties & Reliance***).

4 UNDERTAKINGS

Each Undertaking Company undertakes as follows, except where the undertaking is expressed to apply to Sims only in which case Sims gives the relevant undertaking.

It also undertakes to ensure that each Relevant Company complies with the following, to the extent that the undertaking applies to a Relevant Company.

In each case these undertakings apply unless the Bank gives written consent otherwise.

(a) (**Information**) It will provide the following to the Bank:

(i) (**Financial Reports**) promptly after each relevant accounting period (but in any event within 90 days after each relevant accounting period), copies of the Sims Group consolidated audited annual and unaudited semi-annual Financial Reports (except delivery by Sims of such Financial Reports will be deemed to satisfy each other Undertaking Company's obligation under this paragraph), and ensure that such Financial Reports give a true and fair view and generally accepted accounting principles must have been consistently applied in the preparation of such accounts or statements;

(ii) (**compliance certificate**) when it provides those Financial Reports, a certificate substantially in the form of Schedule 3 (***Compliance Certificate***) of

a director of Sims certifying as to whether an Event of Default, Potential Event of Default or Review Event subsists, that the representations are true, and that it is in compliance with the financial undertakings in clause 5 (***Financial Undertakings***);

(iii) (**shareholder and ASX documents**) promptly all documents issued by it to its shareholders;

(iv) (**KYC & AML**) promptly upon request, any document or information necessary in the Bank's opinion to enable the Bank to do any know your customer checks or anti-money laundering checks;

(v) (**environmental matters**) without limiting clauses 2(i) (***Representations and warranties — litigation***) and 2(k) (***Representations and warranties — Environmental Laws***), promptly to notify the Bank in writing (giving reasonable details) of:

(A) any breach of any Environmental Law; or

(B) the issuing of any proceedings or notice or requirements against or upon it or its assets in respect of, or which is likely to result in, any environmental liability or breach of any Environmental Law,

in each case, which has had, or is reasonably likely to have a Material Adverse Effect;

(vi) (**other information**) promptly, any other information reasonably requested by the Bank.

(b) (**Notice of default & status certificates**)

(i) It will notify the Bank as soon as it becomes aware of any Event of Default, Potential Event of Default or Review Event giving full details of the event and any step taken or proposed to remedy it; and

(ii) Sims will, on request from the Bank, give the Bank a certificate signed by two of its directors which states whether an Event of Default or Potential Event of Default, or Review Event is continuing.

(c) (**Other notices**) It will notify the Bank as soon as it becomes aware of:

(i) any litigation, arbitration. administrative or other proceeding in respect of it or any of its assets being commenced or threatened which is in excess of A$25,000,000 or its equivalent; or

(ii) any proposal of any Governmental Agency to compulsorily acquire the whole or a substantial part of its assets; or

(iii) the acquisition by it of a Subsidiary.

(d) (**Negative Pledge — no Security Interests**) It will not, and in the case of Sims it will procure that the Sims Group will not, create or allow to exist a Security Interest over all or any of its assets or the assets of a member of the Sims Group or enter any other transaction or arrangement which gives a creditor a preferential right to an asset owned or used by it except in the following instances:

(i) a lien or statutory charge which arises by operation of law in the ordinary course of day to day business and does not secure Finance Debt, but only so

long as it pays the amount secured on the due date, except where that amount is being contested in good faith; and

(ii) Security Interests that secure Secured Indebtedness representing not more than 5% of Total Tangible Assets.

(e) (**Negative Pledge — no disposal of Assets**) Neither it nor a Relevant Company will dispose of 10% or more of its Total Tangible Assets or an interest in them or agree or attempt to do so (whether in one or more related or unrelated transactions) except:

(i) where the disposals are in the ordinary course of day to day trading; and

(ii) the disposals are of surplus assets no longer required for its business.

(f) (**Negative Pledge — not give financial accommodation**) It will not without the Bank's consent:

(i) provide financial accommodation to persons other than Undertaking Companies (except for deposits held with financial institutions in the ordinary course of business and supplier advances for which security adequate to cover the amount of the supplier advance is taken) which when added to all such other outstanding financial accommodation provided by all other Relevant Companies would be in excess of A$35,000,000; or

(ii) in the case of each Undertaking Company, permit financial accommodation to remain owing to it by a Relevant Company (other than another Undertaking Company); or

(iii) satisfy any financial accommodation an Undertaking Company now or in the future owes to a Relevant Company which is not an Undertaking Company except any financial accommodation which, in aggregate with all other financial accommodation owed by an Undertaking Company to a Relevant Company which is not an Undertaking Company that is satisfied in the 12 month period prior to the date on which the financial accommodation is to be satisfied, does not exceed A$10,000,000.

(g) (**Negative Pledge — not deposit money as security**) It will not deposit money with a person in circumstances where the money is not repayable unless the Undertaking Company performs obligations (including to pay money) to that person, except deposits which in aggregate do not exceed A$35,000,000 at any time.

(h) (**Authorisations, corporate existence and constitutions**) It will and it will ensure that each Relevant Company will:

(i) obtain, keep in force and comply with the terms of:

(A) all Authorisations required in relation to the entry into, performance of obligations under, and enforceability of, the Bank Documents to which it or the Relevant Company is a party; and

(B) all Authorisations that are material to the carrying on of the business of the Sims Group (taken as a whole) where failure to do so has or is likely to have a Material Adverse Effect,

and ensure those Authorisations are not cancelled, suspended, not renewed, varied or found to be invalid; and

(ii) in the case of each Undertaking Company, maintain its corporate existence, good standing and registration in the jurisdiction of its incorporation or organisation and not transfer such jurisdiction;

(iii) in the case of each Undertaking Company, not amend its constituent documents where such amendment has or would be likely to have a Material Adverse Effect, except with the Bank's prior written consent.

(i) (**Change of business**) The Relevant Companies will not substantially change the nature of the business or businesses carried on by them as a whole. No Relevant Company will take any action which would have that effect, whether by disposal, acquisition or otherwise.

(j) (**Arms length dealings**) No Undertaking Company will deal with any other party except at arms length for full commercial consideration in the ordinary course of business.

(k) (**Environmental Law**) Each Undertaking Company will maintain procedures which in the reasonable opinion of the Bank are adequate to monitor its compliance with laws relating to the environment planning and health or any authorisation under any of those laws, and which are adequate to deal with circumstances which may give rise to a claim or a requirement of substantial expenditure by it pursuant to these laws.

(l) (**Guarantors**) It will ensure that:

(i) the Guarantor Group (excluding any German Guarantors) will:

(A) at all times own, in aggregate, at least 80% of Total Tangible Assets; and

(B) generate at least 80% of EBITDA for each Calculation Period ending on a Calculation Date,

or where a Subsidiary has been newly acquired or created or where assets or a business have been newly acquired, the Guarantor Group will own at least 80% of Total Tangible Assets and generate at least 80% of EBITDA within 3 months of such acquisition or creation; and

(ii) where a Subsidiary owns at least 5% of Total Tangible Assets at any time or generates at least 5% of EBITDA for a Calculation Period ending on a Calculation Date, the Subsidiary must become an Additional Guarantor in accordance with clause 12.4 within 3 months of the earlier of becoming the owner of 5% of Total Tangible Assets or the relevant Calculation Date, unless the Bank is provided with a written legal advice (in a form satisfactory to the Bank, acting reasonably) from a law firm in the jurisdiction in which the Subsidiary was incorporated to the effect that the accession of the Subsidiary to this deed as a member of the Guarantor Group on the terms of this deed would be contrary to the law under which the Subsidiary was incorporated or carries on a substantial portion of its business.

(m) (**Deed of Cross Guarantee**) An Undertaking Company:

(i) must not consent to the amendment, termination, revocation, suspension, repudiation of, or waive its rights arising under, any Deed of Cross Guarantee to which it is a party without the Bank's consent (which consent may be withheld in the Bank's absolute discretion or, where granted, may be subject to such terms as the Bank, in its absolute discretion, requires); and

(ii) must notify the Bank immediately upon it becoming aware of any proposal or request or requirement that it provide a consent or waiver in respect of any Deed of Cross Guarantee to which it is a party.

(n) (**"most favoured nation" — facilities**) In the event that, in the reasonable opinion of Sims, the terms of a Bank Document, whether alone or in combination with another Bank Document, except those terms related to pricing (including, without limitation, fees and margins), facility limits and repayment dates become less favourable in any material respect than the terms in any Other Bank Documents (including, without limitation, granting any Security Interest to any other party other than a Security Interest which it is permitted by the terms of the Bank Documents to grant to another party, but excluding terms related to pricing, facility limits and repayment dates), it will promptly notify the Bank of, and upon request, amend the Bank Documents to provide for, the same or substantially similar terms and conditions to apply to the Bank.

(o) (**"most favoured nation" — hedging**) In the event that, in the reasonable opinion of Sims, the terms of the ISDA Master Agreement (including, without limitation, granting any Security Interest to any other party other than a Security Interest which it is permitted by the terms of the ISDA Master Agreement to grant to another party, but excluding terms related to pricing, facility limits and repayment dates) become less favourable in any material respect than the terms of any Other Hedging Arrangement, it will promptly notify the Bank of, and upon request to amend the ISDA Master Agreement (as applicable) to provide for, the same or substantially similar terms and conditions to apply to the Bank.

(p) (**accounting records**) It will keep proper accounting records and ensure that each of its Subsidiaries does the same.

(q) (**conduct of business**) It will conduct its business (including collecting debts owed to it) in a proper, orderly and efficient manner.

(r) (**corporate reconstruction**) The Sims Group will not enter into any amalgamation, demerger or corporate reconstruction where such event has or would be likely to have a Material Adverse Effect except a solvent amalgamation or reconstruction on terms agreed by the Bank.

(s) (**not reduce capital**) It will ensure that no Relevant Company takes any action to reduce its capital, cancel its uncalled capital or buy back its shares (***Capital Reduction***) if the Capital Reduction would, in aggregate with any other Capital Reductions by the Relevant Company in the preceding year, result in a reduction of the issued ordinary capital of the Relevant Company of greater than or equal to 10% for that year (however any Capital Reduction may not in any event be made if it causes a breach of the financial undertakings in clause 5 (***Financial Undertakings***)).

(t) (**incorrect representation or warranty**) It will promptly to notify the Bank if any representation or warranty made, or taken to be made, by it or on its behalf in connection with a Bank Document is found to have been incorrect or misleading when made or taken to be made.

(u) (**comply with all laws and regulations**) It will comply in all respects with any applicable laws and regulations to which it or its assets are subject where failure to comply would have, or is reasonably likely to have, a Material Adverse Effect

(v) (**ensure no Event of Default**) Sims will do everything necessary to ensure that no Event of Default occurs and ensure that each of its Subsidiaries does the same.

(w) (**rate hedging**) It will not (and in the case of Sims, ensure that no Relevant Company will) enter into any derivative transaction except for the purpose of hedging actual or projected interest rate, foreign exchange or other exposures arising in the ordinary course of trading and not for speculative purposes.

(x) (**Insurance**): It will

(i) maintain industrial special risks insurance, public liability insurance, professional indemnity liability insurance and directors and officers liability insurance with an independent and reputable insurer and consistent with the insurances maintained by it as at the date of this deed;

(ii) otherwise insure, and keep insured, its property which is of an insurable nature in the manner and to the extent which is in accordance with good business practice for property of such nature; and

(iii) promptly following a request by the Bank, to provide the Bank with any certificates of currency or other evidence of currency in respect of all insurances required to be maintained by it under this deed.

(y) (**Taxes**) It will pay:

(i) all Taxes due and payable by it other than those Taxes which it is contesting in good faith and in respect of which it has made adequate reserves of liquid assets to satisfy the liability if the contest is unsuccessful as long as failure to pay those Taxes does not have, and is not likely to have, a Material Adverse Effect; and

(ii) all contested Taxes which remain due and payable by it after final determination or settlement of the contest.

(z) (**purpose**) It will use the Facility only for the purpose set out in the relevant Bank Document.

(aa) (**maintenance of existence**) It will ensure that it and each Relevant Company will:

(i) maintain its corporate existence, good standing and registration in the jurisdiction of its organisation and incorporation;

(ii) not transfer its jurisdiction of organisation or incorporation;

(iii) not enter into any amalgamation, demerger or corporate reconstruction where such event has or would be likely to have a Material Adverse Effect except a solvent amalgamation or reconstruction on terms agreed by the Bank;

(iv) not amend its constitution or any other constituent document of it where such amendment has or would be likely to have a Material Adverse Effect.

Paragraphs (d) and (e) do not apply to any disposal if such disposal cannot be prohibited pursuant to Sections 1136 German Civil Code (Bürgerliches Gesetzbuch).

It will promptly remedy any material breaches or circumstances referred to above.

5 FINANCIAL UNDERTAKINGS

Each Undertaking Company must ensure that on each Calculation Date for the duration of the Term, unless the Bank gives written consent otherwise:

(a) (**Minimum Tangible Net Worth**) TNW is at least 85% of TNW calculated for the last Calculation Date of the preceding year;

(b) (**Interest Cover**) EBITDA divided by Net Interest Expense for the Calculation Period ending on that Calculation Date to be greater than or equal to 3.5 times.

(c) (**Cashflow Gearing**) The ratio of Total Finance Debt to EBITDA for the Calculation Period ending on that Calculation Date must not exceed 3.00 times.

6 EVENTS OF DEFAULT

Each of the following is an Event of Default (even if outside the control of any Undertaking Company except as stated below).

(a) (**Obligations under transaction documents**) Any Undertaking Company fails to do any of the following:

(i) (**payment**) to pay principal under a Bank Document or any interest or any other amount payable under a Bank Document on time on the due date in the manner required under that Bank Document unless, in the case of interest or any other amount, it is paid within 2 days of the due date and it demonstrates to the satisfaction of the Bank that the delay was due to a failure in transmission of funds outside of its control where the funds were available to it with a bank and it gave the requisite instructions;

(ii) (**compliance with Financial Undertakings**) to comply with its Financial Undertakings; or

(iii) (**compliance with other obligations**) to comply with any other obligation in a Bank Document and, if in the opinion of the Bank that failure can be remedied within 14 days, does not remedy that failure within 14 days of notice of that failure being delivered by the Bank.

(b) (**Misrepresentation**) A representation or statement made by, or taken to be made or repeated, or on behalf of an Undertaking Company in a Bank Document, or in a document provided under it including without limitation any Verification Certificate, is misleading in a material respect when made or taken to be made or repeated.

(c) (**Cross Default**)

(i) Finance Debt of a Relevant Company for an amount totalling at least A$5,000,000 or its equivalent or the Relevant Companies in the Sims Group for amounts totalling (in aggregate for all such Relevant Companies) at least A$25,000,000 or its equivalent:

(A) is not paid when due (or within an applicable grace period); or

(B) becomes due and payable before its stated maturity, except as a result of an exercise of a prepayment right in the absence of default.

(ii) An obligation upon any person to provide finance to:

(A) a Relevant Company totalling at least A$5,000,000; or

(B) the Relevant Companies in the Sims Group for amounts totalling (in aggregate for all such Relevant Companies) at least A$25,000,000 or its equivalent,

is terminated except as a result of voluntary termination in the absence of default.

(d) (**Enforcement against assets**)

(i) A distress, attachment, execution or other process of a Governmental Agency is issued against, levied or entered upon:

(A) an asset of a Relevant Company with a value in or in an amount of at least A$10,000,000 or its equivalent; or

(B) an asset or assets of Relevant Companies totalling (in aggregate for all such Relevant Companies) at least A$25,000,000 or its equivalent,

and is not set aside or satisfied within 10 Business Days; or

(ii) a receiver, receiver and manager, administrator or similar officer is appointed over a Relevant Company or any of its assets; or

(iii) a Security Interest is enforced against any asset of a Relevant Company with a value totalling in excess of A$10,000,000 or its equivalent.

(e) (**Reduction of capital**) A Relevant Company undertakes any Capital Reduction if the Capital Reduction would, in aggregate with any other Capital Reductions by the Relevant Company in the preceding year, result in a reduction of the issued ordinary capital of the Relevant Company of greater than or equal to 10% for that year (however any Capital Reduction may not in any event be made if it causes a breach of the Financial Undertakings).

(f) (**Insolvency**) A Relevant Company is Insolvent or is deemed or presumed Insolvent under any applicable law. A Relevant Company ceases or threatens to cease carrying on its business or paying its debts.

(g) (**Vitiation of Bank Document**)

(i) All or a material part of a Bank Document is or becomes wholly or partly void, voidable or unenforceable, terminated or of no force or limited force or terminable at the option of a Relevant Company, except as expressly provided under that Bank Document;

(ii) any law suspends, varies, terminates or excuses performance by an Undertaking Company of any of its material obligations under a Bank Document or purports to do any of the same;

(iii) it becomes impossible or unlawful for an Undertaking Company to perform any of its material obligations under a Bank Document or for the Bank to exercise all or any of its rights, powers and remedies under a Bank Document; or

(iv) the execution, delivery or performance of a Bank Document by an Undertaking Company or the exercise by the Bank of all or any of its rights under a Bank Document breaches or results in a contravention of any law; or

(v) a Relevant Company or anyone on behalf of any of them alleges that a Bank Document has been affected as described in this clause 6(g) (***Events of Default — Vitiation of Bank Documents***).

(h) (**Ceasing business**) An Undertaking Company stops payment, significantly changes the general character of its business or threatens to do any of those things or a

Relevant Company ceases to carry on business, except to reconstruct or amalgamate while solvent, and which event may have a Material Adverse Effect.

(i) (**Environmental**) There is any claim or requirement of expenditure or alteration of activity or cessation of activity under any Environmental Law or law relating to health or there is any breach of any Authorisation, in each case which in the opinion of the Bank is likely to have a Material Adverse Effect or any circumstance arises which may give rise to such an action, claim, requirement or breach.

(j) (**Governmental interference**) A law or anything done by a Governmental Agency is likely to in the opinion of the Bank have a Material Adverse Effect.

(k) (**seizure**) All or any material part of the assets of the Sims Group are seized or otherwise appropriated by, or custody thereof is assumed by any Governmental Agency, or the Sims Group is otherwise prevented from exercising normal day-to-day control over all or a material part of its assets or loses any of the rights or privileges necessary to maintain its existence or to carry on its business and Sims does not demonstrate to the reasonable satisfaction of the Bank within 15 Business Days of such seizure, appropriation, assumption of custody or execution that no Material Adverse Effect has resulted, or is reasonably likely to result, therefrom.

(l) (**NAB event of default**) An event of default, termination event (other than a termination event under a Hedging Agreement with the Bank in respect of which the Bank is an "Affected Party" (as defined in that Hedging Agreement)) or other similar event occurs with respect to a Relevant Company under any agreement relating to Finance Debt between a Relevant Company and the Bank including the occurrence of an event which is an "event of default" with respect to a Relevant Company under any Bank Document other than this deed, or any other event occurs which renders enforceable a Bank Document that comprises or includes a Guarantee.

(m) (**Disposal without consent**) A disposal which cannot be prohibited pursuant to Section 1136 German Civil Code (Bürgerliches Gesetzbuch), if the disposal has not been approved by the Bank in writing, provided such disposal corresponds to a disposal set out in clause 4 (d) and (e).

(n) (**investigation**) a person is appointed under the Corporations Act or any other applicable legislation to investigate any part of the affairs of an Undertaking Company and the relevant Undertaking Company does not demonstrate to the reasonable satisfaction of the Bank within 15 Business Days of such appointment that no Material Adverse Effect has resulted from, or is reasonably likely to result from, the investigation or as a consequence thereof.

(o) (**deregistration**) a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel the registration of any Undertaking Company.

(p) (**ASX delisting/suspension**) except with the written consent of the Bank, any securities of Sims are:

(i) not listed on at least one of:

(A) the official list of the Australian Securities Exchange operated by ASX Limited; or

(B) the official list of the New York Stock Exchange; or

(ii) suspended from quotation or trading on any official list referred to in paragraph (i) above for 5 consecutive trading days (except where such suspension is requested by Sims for the purpose of an acquisition or a

fundraising and such securities remain suspended on that basis only and not on any other basis); or

(iii) removed from the official list of any of:

(A) the Australian Securities Exchange operated by ASX Limited;

(B) the New York Stock Exchange; or

(C) another stock exchange,

because the operator of the relevant stock exchange decides that Sims or its securities no longer meet the requirements for continued listing (except where Sims has requested such removal and that is the sole basis for the removal).

(q) (**Material Adverse Change**) any event occurs which, in the reasonable opinion of the Bank, may have a Material Adverse Effect.

7 BANK'S REMEDIES AND POWERS

7.1 Event of Default

If an Event of Default occurs then the Bank may declare at any time by notice to Sims that:

(a) the Bank's obligations specified in the notice are terminated or any facility provided under any Bank Document is terminated; or

(b) an amount equal to the Amount Owing is either:

(i) payable on demand; or

(ii) immediately due for payment.

The Bank may make either or both of these declarations. The making of either of them gives immediate effect to its provisions.

Where a Bank Document specifies that a facility can be terminated by the Bank at any time, the Bank may at any time do either of the things specified in (a) or (b) above whether or not an Event of Default has occurred.

Any notice given by Bank pursuant to paragraphs 7.1(a) or (b) shall be of no effect if:

(c) it is given because of the occurrence of an Event of Default specified in paragraphs (a)(ii), (a)(iii), (b), (c), (e), (g), or (h) of clause 6; and

(d) within two Business Days of the notice the Undertaking Company is able to show to the Bank's absolute satisfaction and in the Bank's absolute discretion that:

(i) in the case where the notice relates to any of the Events of Default specified in paragraphs (a)(ii), (a)(iii), (b), (c) or (g) of clause 6, the relevant Event of Default has been cured; or

(ii) in the case where the notice relates to any of the Events of Default specified in paragraphs (e) or (h) of clause 6, the continuation of the relevant Event of Default does not have a Material Adverse Effect.

7.2 Application of money — set-off

If an Undertaking Company does not pay an amount when due or an Event of Default is continuing, the Bank may apply any money in any of Undertaking Company's accounts or deposits (whether or not matured) in payment of any amount payable by it under any Bank Document by setting off the obligations. It need not do so. The Bank may do anything necessary to effect any set-off under this clause (including varying the date for payment of any amount owing by the Bank to the Undertaking Company and it can convert currencies using its normal procedures provided those procedures are fair and reasonable to both the relevant Undertaking Company and the Bank. This clause applies despite any other agreement between the Undertaking Companies and the Bank.

7.3 No waiver

No failure to exercise a power, and no delay in exercising a power, operates as a waiver.

7.4 Variation and waiver

A provision of a Bank Document, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

7.5 Discretion in exercising rights

The Bank may exercise a right or remedy or give or refuse its consent under a Bank Document in any way it considers appropriate (including by imposing conditions).

7.6 Partial exercising of rights

If the Bank does not exercise a right or remedy under a Bank Document fully or at a given time, the Bank may still exercise it later.

7.7 No liability for loss

The Bank is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under a Bank Document.

7.8 Conflict of interest

The Bank's rights and remedies under any Bank Document may be exercised even if this involves a conflict of duty or the Bank has a personal interest in their exercise.

7.9 Remedies cumulative

The rights and remedies of the Bank under any Bank Document are in addition to other rights and remedies given by law independently of the Bank Document.

8 REVIEW

8.1 Review Event

Each of the following is a Review Event:

(a) (**Control**) If the persons who at the date of this deed have Control of Sims cease to have Control of Sims then the Bank may within 90 days after notification of that change of Control review the terms of any financial accommodation provided under any Bank Document. Following that review the Bank may require repayment of all or part of the financial accommodation provided to any Undertaking Company and terminate all facilities; and

(b) (**Listing**) If any securities of Sims are added to the official list of any stock exchange (other than the official list of the Australian Securities Exchange operated by ASX Limited and the official list of the New York Stock Exchange) then the Bank may, for a period of not less than 60 days after the date the Bank is notified of that event (**Listing Review Period**), review the terms of any financial accommodation provided under any Bank Document. Following the Listing Review Period, the Bank may require repayment on demand of all or part of the financial accommodation provided to any Undertaking Company and terminate all its facilities, if the Bank, acting reasonably, believes that Sims' presence on the official list of such a stock exchange, will have, or is reasonably likely to have, a Material Adverse Effect.

9 PAYMENTS

9.1 Method of payment

Each Undertaking Company will make all payments (including by way of reimbursement) under each Bank Document:

(a) on the due date (or, if that is not a Business Day, on the next Business Day unless that day falls in the following month or after the Maturity Date, in which case, on the previous Business Day); and

(b) not later than 10.00 am in the place for payment; and

(c) in the currency in which that payment is due in immediately available funds; and

(d) in full without set-off or counterclaim and without any deduction in respect of Taxes unless prohibited by law; and

(e) to the Bank by payment into the account nominated by the Bank, or by payment as the Bank otherwise directs.

If the Bank directs the Undertaking Company to pay a particular party or in a particular manner, the Undertaking Company is taken to have satisfied its obligation to the Bank by paying in accordance with the direction. The Undertaking Company satisfies a payment obligation only when the Bank or the person to whom it has directed payment receives the amount.

9.2 Currency of payment

Each Undertaking Company waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if the Bank receives an amount in a currency other than that in which it is due for any reason whatsoever, including without limitation as a result of any judgment or order or the liquidation of the Borrower or any proof or claim in connection with that liquidation:

(a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and

(b) the Undertaking Company satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

9.3 Application of payments

The Bank may apply amounts paid by an Undertaking Company towards satisfaction of the Undertaking Company's obligations under the Bank Documents in the manner it sees fit, unless the Bank Documents expressly provide otherwise. This appropriation overrides any purported appropriation by the Undertaking Company or any other person.

9.4 Default interest

(a) (**obligation to pay**) Interest will accrue each day on each amount due under a Bank Document but unpaid, from (and including) the due date to (but excluding) the date of actual payment and is calculated on actual days elapsed and a year of:

(i) 365 days, for amounts due and payable in Australian dollars and Pounds Sterling; and

(ii) 360 days, for United States dollars and Euros; and

(iii) the number of days to be advised by the Bank, for other Alternative Currencies.

The relevant Undertaking Company agrees to pay interest under this clause on demand from the Bank at the rate set out in this clause.

(b) (**default rate**) Unless otherwise specified in the Bank Document, the rate will be the interest rate for the relevant facility as set out in the relevant Bank Document (or any equivalent rate which is substituted for this rate from time to time) plus 2%. That interest accrues before and after any judgment. For the purpose of this clause, the Interest Rate is calculated as if the overdue amount is a drawing with interest periods of 30 days (or another period chosen from time to time by the Bank) with the first interest period starting on and including the due date.

(c) (**compounding**) Interest payable under this clause which is not paid when due for payment may be added to the overdue amount by the Bank at intervals which the Bank determines from time to time or, if no determination is made, every 30 days. Unless it does so more often, the Bank will be taken to have debited monthly the Undertaking Company's account with accrued interest under this paragraph. Interest is payable on the increased overdue amount in the manner set out in this clause.

9.5 Interest following judgment

If a liability becomes merged in a judgment, the Undertaking Company agrees to pay interest on the amount of that liability as an independent obligation. This interest:

(a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and

(b) is calculated at the judgment rate, or the default rate set out in this clause, whichever is higher.

The Undertaking Company agrees to pay interest under this clause on demand from the Bank.

10 CHANGE IN LAW

10.1 Increased Costs

Whenever Bank determines that a Change in Law (as defined below) or compliance by the Bank or any its Related Entities with such Change in Law has the effect of:

(a) increasing its costs of funding or maintaining a facility under a Bank Document;

(b) increasing its commitment;

(c) reducing its effective return, amounts paid or payable to it, or amounts received or receivable by it, in respect of the facility; or

(d) reducing its return on capital allocated to a facility under a Bank Document (including because more capital needs to be allocated to the facility or cannot be used elsewhere), or the overall return on capital of the Bank (or its Related Entities),

then the Bank will promptly notify the relevant Undertaking Company, who must pay the Bank the amount the Bank certifies is necessary to compensate it within two Business Days of such notification. That certificate will give an outline of the calculation, and will be conclusive and bind the Undertaking Company in the absence of manifest error, however, nothing in this clause 10.1 obliges the Bank to provide details of its business or tax affairs which it considers in good faith to be confidential. Compensation need not be in the form of a lump sum and may be demanded as a series of payments, and the relevant Undertaking Company agrees to compensate the Bank whether or not the increase or reduction could have been avoided.

If the Undertaking Company so requests, the Bank will negotiate in good faith with a view to finding a means of minimising the effect, but it is not a defence that the effect could have been avoided or minimised.

A ***Change in Law*** is the introduction of, or a change in, any law, regulation, treaty, official directive, ruling, guideline, policy or request (whether or not having the force of law) or a change in its interpretation, administration or application. If it does not have the force of law, it must be one with which responsible Australian banks would comply. Without limitation, it includes any occurrence which is a "Change in Law" as described above and which relates to capital adequacy (including Basel II), special deposit, liquidity, reserve, prime assets, tax or prudential requirements (except a change in tax on overall net income).

It does not include a change where the Bank is entitled to receive adequate compensation under another provision of a Bank Document.

10.2 Illegality or impossibility

If, due to a Change in Law, it becomes illegal or impossible for the Bank to make, fund, provide, maintain any advance or financial accommodation or continue to do so under any Bank Document, the Bank may give notice to Sims suspending or cancelling some or all of the Bank's other obligations as indicated in the notice.

If the illegality or impossibility relates to an advance, the Bank, by giving a notice to Sims, may require prepayment of all or part of the advance and interest accrued on that part by the relevant Borrower of that advance. The relevant Borrower agrees to repay the amount specified immediately after receiving the notice (or at such later time as the Bank may agree).

11 ADDITIONAL PAYMENTS

11.1 Indemnity and costs

Each Undertaking Company will pay the Bank's reasonable legal Costs (including goods and services tax or similar tax) in relation to:

(a) the negotiation, preparation, execution and registration of and payment of Taxes on each Bank Document to which it is a party and any security for its obligations, and

(b) the Bank being satisfied that conditions to drawdown have been met; and

(c) the Bank giving and considering any amendment of a Bank Document, any consent, any waiver, discharge and releases and producing title documents.

Each Undertaking Company will indemnify the Bank against any liability, loss, Cost or expense (including legal costs on a full indemnity basis, including any goods and services tax or similar tax and including those Costs paid, or that the Bank reasonably believes are payable, to persons engaged by the Bank in connection with the Bank Documents such as consultants) it incurs in or as a result of:

(a) financial accommodation requested under a Bank Document not being provided in accordance with the request for any reason except default of the Bank; or

(b) the Bank acting in connection with a Bank Document in good faith on fax, telephone, email or written instructions purporting to originate from the offices of the Undertaking Company or to be given by an Authorised Officer of the Undertaking Company; or

(c) any indemnity the Bank gives a Controller or administrator of the Company; or

(d) an Event of Default or a breach of its obligations, or

(e) in the actual or contemplated enforcement, or preservation of its rights under (or considering doing so), of this deed or any Bank Document to which it is a party, or

(f) in the actual or contemplated enforcement of any security granted by an Undertaking Company, or

(g) doing anything in connection with any enquiry by a Governmental Authority involving any Relevant Company.

Each Undertaking Company will, to the fullest extent permitted by law, indemnify and hold harmless the Bank and its respective directors, officers, employees and agents, from and against any and all claims, damages, liabilities, Costs and expenses (including, without limitation, reasonable attorney Costs) for which any of them may become liable or which may be incurred by or asserted against the Bank or any such director, officer, employee or agent, in each case in connection with or arising out of or by reason of any investigation, litigation, or proceeding, whether or not the Bank or any such director, officer, employee or agent is a party thereto, arising out of, related to or in connection with any Bank Document or any transaction in which any proceeds of all or any part of the accommodation under Bank Documents are applied or proposed to be applied, EXPRESSLY INCLUDING ANY SUCH CLAIM, DAMAGE, LIABILITY OR EXPENSE ARISING OUT OF THE ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH INDEMNIFIED PERSON (but excluding any such claim, damage, liability or expense to the extent attributable to the gross negligence or wilful misconduct of, or violation of any law or regulation by, any such indemnified Person). The undertaking in this clause shall survive the payment of all or any accommodation under Bank Documents.

Each Undertaking Company agrees to pay amounts due under this clause within 10 Business Days of demand from the Bank or the relevant indemnified person.

11.2 Goods and Services Tax

(a) Notwithstanding any other provision of this deed, any amount payable to the Bank under this deed does not include any goods and services tax or similar tax by whatever name called (including GST as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended from time to time, (the **"GST law"**). Terms defined in the GST law have the same meaning in this deed.

(b) To the extent that any supply under or in connection with this deed by the Bank constitutes a taxable supply, the consideration payable will automatically be increased to include an additional amount on account of GST. That amount will be the product of the value of the consideration for the supply and the prevailing GST rate.

(c) Notwithstanding any other provision in this deed if, for the purposes of GST law, the Bank is not entitled to an input tax credit in respect of the whole or part of any GST payable on a supply acquired by the Bank in connection, whether directly or indirectly, with this deed, the Bank may increase the amounts paid or payable under this deed to the extent necessary to recoup the input tax incurred by the Bank in connection with that supply.

11.3 Tax

If an Undertaking Company is required by any law to deduct any amount in respect of Taxes from any payment under a Bank Document, such that the Bank would not actually receive on the due date the full amount provided for under the Bank Document then:

(a) the Undertaking Company agrees to deduct the amount for the Taxes (and any further deduction applicable to any further payment due under paragraph (c) below); and

(b) the Undertaking Company must pay an amount equal to the amount deducted to the appropriate authority in accordance with applicable law and promptly give the Bank evidence of payment (including original receipts); and

(c) the amount payable is increased so that (after deducting that tax and making any further deductions applicable to additional amounts payable under this clause, and paying any taxes on the increased amount) the Bank receives the same amount it would have received had no deductions been made.

11.4 Stamp duty

Each Undertaking Company will pay or reimburse all Taxes and fees in relation to

(a) this deed;

(b) any Bank Document to which it is a party; and

(c) a payment or receipt or any other transaction contemplated by any Bank Document; and

(d) and any security for its obligations and any transaction under them or, or that the Bank reasonably believes are payable except that in the case of fines and penalties, an Undertaking Company is not required to pay such amounts if they result from a failure by the Bank to lodge a document for stamping in sufficient time, having received from the Undertaking Company the amount of stamp duty in good time and in any event no later than two weeks prior to the relevant time required by law for the payment of such amounts.

12 NEW PARTIES

12.1 Addition of Additional Borrowers

If the Bank agrees, a wholly-owned Subsidiary of Sims may become a party to this deed and a Bank Document as an Additional Borrower as follows:

(a) if the Additional Borrower is not already a Guarantor, such Additional Borrower and each existing Borrower must:

(i) execute and deliver to the Bank an Accession Deed (***Accession Deed***) substantially in the form of the Annexure to this deed (***Form of Accession Deed***) (including references to the party becoming a party to this deed as a Borrower under this deed and a Debtor under the Group Guarantee) whereupon its rights and obligations and the duties and restrictions imposed upon it hereunder shall be the same as if it had been joined in this deed as a Borrower and as if it had joined the Group Guarantee as a Debtor; and

(ii) in the case of the Additional Borrower only, provide to the Bank on the date of the Accession Deed a Verification Certificate in form and substance satisfactory to the Bank dated no earlier than the date of the Accession Deed; and

(iii) do any other thing the Bank reasonably requests to ensure the enforceability of the Additional Borrower's obligations as a Borrower or otherwise accede the company to this deed and the relevant Bank Document.

(b) the Additional Borrower must become a party to this deed as a Guarantor and comply with clause 12.4 (***New Guarantors***), and for that purpose the execution and delivery of the Accession Deed under paragraph (a)(i) and a Verification Certificate under paragraph (a)(ii) will satisfy the equivalent obligations under that clause 12.4 (***New Guarantors***).

If the Additional Borrower is already a Guarantor, such entity must make a request to the Bank and if the Bank accepts, it should confirm its approval by countersigning the request, whereupon the Additional Borrower's rights and obligations and the duties and restrictions imposed upon it hereunder shall be the same as if it is a Borrower under this deed.

12.2 Rights and obligations of New Borrower

Following receipt of the documents referred to in clause 12.1 (***Addition of Additional Borrowers***), the Additional Borrower shall be deemed to be a party to this deed. Its rights and obligations and the restrictions imposed upon it shall be the same in all respects as if the Additional Borrower had joined in this deed as a Borrower from the date of this deed.

12.3 Rights and obligations of other Borrowers

Following receipt of the documents referred to in clause 12.1 (***Addition of Additional Borrowers***), the rights and obligations and the restrictions imposed upon the other Borrowers shall be the same in all respects as if the Additional Borrower had joined in this deed as from the date of this deed.

12.4 New Guarantors

(a) A company becomes a party to this deed after the date of this deed as an Additional Guarantor and to the Group Guarantee after the date of the Group Guarantee as an Additional Guarantor by the Additional Guarantor and each existing Guarantor:

(i) signing and delivering to the Bank an Accession Deed (except that if the Additional Guarantor becomes a party as a Guarantor but not as an Additional Borrower the references to becoming party as a Borrower will not apply); and

(ii) in the case of the Additional Guarantor only, providing to the Bank on the date of the Accession Deed a Verification Certificate in form and substance satisfactory to the Bank dated no earlier than the date of the Accession Deed; and

(iii) doing any other thing the Bank reasonably requests to ensure the enforceability of the Additional Guarantor's obligations as a Guarantor or otherwise accede the company to this deed and the Group Guarantee.

(b) Each Guarantor agrees to be bound by the Accession Deed as if they were parties to it.

(c) Each Guarantor authorises Sims to execute the Accession Deed on its behalf.

13 UNDERTAKING COMPANIES' AGENT

13.1 Sims as agent of the Undertaking Companies

Each Undertaking Company (other than Sims):

(a) irrevocably authorises Sims to act on its behalf as its agent in relation to the Bank Documents, including:

(i) to give and receive as agent on its behalf all communications, including without limitation, notices and instructions (including drawdown notices), consents and requests for consents, and waivers;

(ii) to sign on its behalf all documents in connection with the Bank Documents (including amendments and variations of any Bank Documents, and to execute any new Bank Documents); and

(iii) to take such other action as may be necessary or desirable under or in connection with the Bank Documents; and

(b) confirms for the benefit of both Sims and the Bank that:

(i) the Bank may direct all communications in accordance with clause 14.4 to Sims and failure by Sims to notify the relevant Undertaking Company of the communication will not invalidate the action taken by Sims on its behalf; and

(ii) it will be bound by any action taken by Sims under or in connection with the Bank Documents and that the Bank may rely on all action taken by Sims on that Undertaking Company's behalf.

13.2 Acts of Sims

(a) The respective liabilities of each of the Undertaking Companies under the Bank Documents shall not be in any way affected by:

(i) any actual or purported irregularity in any act done or failure to act by Sims;

(ii) Sims acting (or purporting to act) in any respect outside any authority conferred upon it by any Undertaking Company; or

(iii) any actual or purported failure by or inability of Sims to inform any Undertaking Company of receipt by it of any notification under the Bank Documents.

(b) In the event of any conflict between any notices or other communications of Sims and any other Undertaking Company, those of Sims shall prevail.

14 GENERAL

14.1 Statement

A written statement by the Bank as to any amount due under a Bank Document will be sufficient evidence of that amount unless the relevant Undertaking Company proves it wrong.

14.2 Term

This deed will continue so long as there is any liability, obligation, document or agreement between the Bank and any Relevant Company or until the Bank releases it whichever event occurs earlier.

14.3 Assignment

(a) (**no dealing by Undertaking Company**) No Undertaking Company may assign or otherwise deal with its rights its rights under any Bank Document or allow any interest in them to arise or be varied, in each case, without the Bank's consent.

(b) (**dealings by Financier**) The Bank may assign, transfer or otherwise deal with any part of its rights under the Bank Documents without the consent of any person. The Bank may disclose information concerning a Bank Document or an Undertaking Company to a potential transferee or sub-participant without the consent of any person. The Bank may, with an Undertaking Company's consent, transfer by novation any of its rights and obligations. An Undertaking Company will not withhold that consent to a transfer of rights and obligations unreasonably. The Undertaking Company will be deemed to have given its consent ten Business Days after the Bank has requested it unless consent is expressly refused by the Undertaking Company within that time.

(c) (**change of lending office**) The Bank may from time to time change its office at which accommodation is made or carried, provided that if at the time of any change from one office to another the effect thereof would be to increase any amount payable by an Undertaking Company under a Bank Document then such change shall may be made but will be made at the Bank's cost.

(d) (**Federal Reserve**) Notwithstanding any other provision set forth in a Bank Document, the Bank may at any time assign, as collateral or otherwise, any of its rights (including, without limitation, rights to payments of principal and/or interest on accommodation) under a Bank Document in respect of accommodation made or carried by a Bank office in the United States of America to any Federal Reserve Bank without notice to, or consent of, the Undertaking Companies or any of their agents, successors or assigns.

Where the Bank wants to transfer any part of its obligations the relevant Undertaking Company will sign when reasonably requested by the Bank a document which will effect that transfer and which does not increase the Undertaking Company's obligations. The Bank will bear its own costs and stamp duty on that document.

14.4 Notices and other communications

(a) (**Form — all communications**) Unless expressly stated otherwise in the Bank Documents, all notices, certificates, consents, approvals, waivers and other communications in connection with a Bank Document must be in writing, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in clause 14.4(c) below, or if the recipient has notified otherwise, then marked for attention in the way last notified.

(b) (**Form — communications sent by email**) Communications sent by email need not be marked for attention in the way stated in clause 14.4(a) (***Form — all communications***). However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

(c) (**Delivery**) Communications must be:

(i) left at the address set out below; or

(ii) sent by prepaid ordinary post (airmail, if appropriate) to the address set out below; or

(iii) sent by fax to the fax number set out below in this clause 14.4(c); or

(iv) sent by email to the address set out below in this in clause 14.4(c).

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or number.

Address for service of communications (other than Drawdown Notices):

(a)	Sims:	(b)	
(c)	Address:	(d)	Sir Joseph Banks Corporate Park Suite 3, Level 2 32-34 Lord Street Botany NSW 2019
(e)	Fax number:	(f)	+ 612 8113 1620
(g)	Email address:	(h)	Frank.Moratti@simsmm.com
(i)	Department/officer:	(j)	Frank Moratti Company Secretary
(k)	**Bank:**	(l)	
(m)	Address:	(n)	Level 24 255 George Street Sydney NSW 2000
(o)	Fax number:	(p)	+61 2 9237 1888
(q)	Email address:	(r)	mino.piredda@nab.com.au
(s)	Department/officer:	(t)	Director, Industrials

Address for Drawdown Notices:

(u)	Sydney Branch of the Bank:	(v)	National Australia Bank Limited
(w)	Address:	(x)	Level 24 255 George Street Sydney NSW 2000
(y)	Fax number:	(z)	1300 764 759 (toll-free number for dialling from a location within Australia) or +61 2 9237 1272 if

dialling from a location outside Australia

(aa) Email address: (bb) Nabcapital.lending.admin.australia@nab.com.au

(cc) Department/officer: (dd) Richard Tran and Ujjwal Pandey

Transaction Management Group within the Bank (on behalf of the OBU): National Australia Bank Limited

Address: Level 31
500 Bourke Street
Melbourne Victoria 3000

Fax number: +61 3 8641 3590

Email address: tmg@nab.com.au

Department/officer: Lisa Allen

(d) (**When effective**) Communications take effect from the time they are received or taken to be received under clause 14.4(e) (***When taken to be received***) (whichever happens first) unless a later time is specified.

(e) (**When taken to be received**) Communications are taken to be received:

(i) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or

(ii) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or

(iii) if sent by email:

(A) when the sender receives an automated message confirming delivery; or

(B) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

(C) whichever happens first.

(f) (**Receipt outside business hours**) Despite clauses 14.4(d) (***When effective***) and 14.4(e) (***When taken to be received***), if communications are received or taken to be received under clause 14.4(e) after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day and take effect from that time unless a later time is specified.

(g) (**Waiver of notice period**) The Bank may waive a period of notice required to be given by the Undertaking Company under this agreement.

14.5 Governing law and jurisdiction

(a) Each Bank Document is governed by the law in force in New South Wales. Each Undertaking Company accepts the non-exclusive jurisdiction of the courts having jurisdiction there in relation to each Bank Document (including a dispute regarding the existence, validity or termination of a Bank Document) (a **"Dispute"**).

(b) Each Undertaking Company agrees that those courts are an appropriate and convenient courts to settle Disputes and accordingly no Undertaking Company will argue to the contrary.

(c) Each Undertaking Company irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 14.5(a).

14.6 Service of process

(a) Without preventing any other method of service, any document in a court action may be served on a party by being delivered to or left at that party's address for service of notices under clause 14.4(c) (***Delivery***).

(b) Without prejudice to any other mode of service allowed under any relevant law, each Undertaking Company (other than an Undertaking Company incorporated in Australia):

(i) irrevocably appoints Sims as its agent for service of process in relation to any proceedings under or in connection with any Bank Document; and

(ii) agrees that failure by the process agent to notify the relevant Undertaking Company of the process will not invalidate the proceedings concerned.

(c) Sims accepts its appointment as process agent under this clause 14.6.

(d) If for any reason Sims ceases to be able to act as process agent for an Undertaking Company, the Undertaking Company must promptly appoint another person in New South Wales acceptable to the Bank to act as its process agent.

(e) Each party expressly agrees and consents to the provisions of this clause 14.6.

14.7 Application to Bank Documents

If anything in this clause 14 (***General***) is inconsistent with a provision in another Bank Document, then the provision in the other Bank Document prevails for the purposes of that Bank Document.

14.8 Prompt performance

Subject to clause 14.14 (***Time of the essence***):

(a) if a Bank Document specifies when the Undertaking Company agrees to perform an obligation, the Undertaking Company agrees to perform it by the time specified; and

(b) the Undertaking Company agrees to perform all other obligations promptly.

14.9 Consents

The Undertaking Company agrees to comply with all conditions in any consent the Bank gives in connection with a Bank Document.

14.10 Indemnities

Any indemnity in a Bank Document is a continuing obligation, independent of the Undertaking Company's other obligations under that Bank Document and continues after the Bank Document ends. It is not necessary for the Bank to incur expense or make payment before enforcing a right of indemnity under a Bank Document.

14.11 Rights and obligations are unaffected

Rights given to the Bank under a Bank Document and the Undertaking Company's liabilities under it are not affected by anything which might otherwise affect them at law.

14.12 Inconsistent law

To the extent permitted by law, each Bank Document prevails to the extent it is inconsistent with any law.

14.13 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Undertaking Company in connection with a Bank Document with the result that the Bank's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

14.14 Time of the essence

Time is of the essence in any Bank Document in respect of an obligation to pay money.

14.15 Confidentiality

Each party agrees not to disclose information provided by any other party that is not publicly available (including the existence of or contents of any Bank Document) except:

(a) to any person in connection with an exercise of rights or a dealing with rights or obligations under a Bank Document (including in connection with preparatory steps such as negotiating with any potential assignee or potential sub-participant or other person who is considering contracting with the Bank in connection with a Bank Document); or

(b) to a person considering entering into (or who enters into) a credit swap with the Bank involving credit events relating to the Undertaking Company or any of its Related Entities; or

(c) to officers, employees, legal and other advisers and auditors of the Undertaking Company or Bank; or

(d) to any party to this deed or any Related Entity of any party to this deed, provided the recipient agrees to act consistently with this clause 14.15; or

(e) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or

(f) as required by any law or stock exchange.

Each party consents to disclosures made in accordance with this clause 14.15.

14.16 Dispute resolution

(a) If an Issue or a circumstance that is reasonably likely to result in an Issue, arises Sims and the Bank must not commence any court proceedings relating to the Issue unless it

has complied with the provisions of this clause 14.16, except to seek urgent interlocutory relief.

(b) If Sims or the Bank become aware of an Issue or a circumstance that is reasonably likely to result in an Issue, it must promptly notify the other (**Initial Notice**), and if the Issue is not resolved within ten (10) Business Days from the date of that Initial Notice (excluding the date of that Initial Notice) (or such other period as agreed to in writing between Sims and the Bank), then either Sims or the Bank may give a written notice to the other specifying the nature and details of the Issue (***Notification***).

(c) If an Issue is resolved within ten (10) Business Days from the date on which Initial Notice is provided (excluding the date on which Initial Notice is given) (or such other period as agreed to in writing between Sims and the Bank), Sims and the Bank must exchange written acknowledgement of such resolution prior to the end of the ten (10) Business Day period.

(d) Once a Notification is given in accordance with clause 14.16(b), a ***Dispute*** is taken to have arisen. If no Notification is given in accordance with clause 14.16(b) or the Issue is resolved and written acknowledgement has been exchanged between Sims and the Bank in accordance with clause 14.16(c), a Dispute will not be taken to have arisen in relation to the Issue and the provisions of this clause 14.16 will no longer apply. If the provisions of this clause 14.16 no longer apply as a result of the failure of either Sims or the Bank to give a Notification, the matter or thing asserted by either Sims or the Bank which gave rise to the Issue will be disregarded.

(e) If Sims and the Bank do not resolve the Dispute within ten (10) Business Days after the Notification is given (excluding the date on which the Notification is given) (or such other period as agreed to in writing between Sims and the Bank) either Sims or the Bank may submit the Dispute to expert determination.

(f) If the Dispute is referred to expert determination under clause 14.16(e):

(i) both Sims and the Bank may nominate an independent expert with relevant expertise in accounting, legal and commercial matters to act as expert and submit this nomination to the other within the earlier of twelve (12) Business Days after the Notification is given (excluding the date on which the Notification is given), or two (2) Business Days following a decision by Sims and the Bank to submit the Dispute to expert determination (excluding the date on which that decision is reached) (or such other period as agreed to in writing between Sims and the Bank);

(ii) if only the Bank or only Sims nominates an expert in accordance with clause 14.16(f)(i), the nominated expert will be taken to have been agreed to by both Sims and the Bank and that expert will be validly appointed;

(iii) if Sims and the Bank do not agree on the appointment of an expert within three (3) Business Days after both expert nominations have been submitted (excluding the date on which both nominations have been submitted), the matter will be referred to the President of the Institute of Chartered Accountants of Australia who will nominate an expert to determine the Dispute and both Sims and the Bank will accept this nomination;

(iv) where Sims is engaged in a dispute with any of its other lenders (which have adopted a dispute resolution clause in substantially the same form as this clause 14.16) in relation to the same subject matter as a Dispute or Issue between Sims and the Bank, the Bank agrees to the common appointment of an expert to resolve the disputes simultaneously and an expert appointed in

these circumstances can only be appointed if the expert accepts a common appointment;

(v) the terms of the expert's retainer must provide that in resolving the Dispute the expert will, to the extent relevant, be subject to the then current ACDC Guidelines for Expert Determination, and will use all reasonable endeavours to ensure that if a Dispute relates to a current Calculation Period a decision is reached prior to the Calculation Date for that Calculation Period;

(vi) the terms of the expert's retainer must provide that the expert must provide a decision as soon as reasonably practicable and in any event no later than the five (5) Business Days from the date of referral (excluding the date of referral) (or such other period as agreed to in writing between Sims and the Bank);

(vii) the decision of the expert is final and binding on the Bank and the Undertaking Companies except in the case of manifest error; and

(viii) if, for any reason:

(A) an expert is not appointed within five (5) Business Days of the expert appointment decision being referred to the President of the Institute of Chartered Accountants of Australia (excluding the date on which the matter is referred);

(B) or the appointed expert provides Sims and the Bank with written confirmation that the expert is unable to reach a decision in relation to the Dispute,

the provisions of this clause 14.16 will no longer apply to the Dispute and each of Sims and the Bank may:

(C) commence court proceedings; and/or

(D) pursue any other remedies that are available to the relevant party,

in relation to the matter or thing forming the subject matter of the Dispute.

(g) If a Dispute or Issue first arises prior to the end of a Calculation Period and is not resolved in accordance with this clause 14.16 by the end of that Calculation Period, Sims and the Bank agree to use reasonable endeavours to resolve the Dispute or Issue as soon as possible following the relevant Calculation Date and in any event no later than 30 Business Days following Sims and the Bank first becoming aware of the Issue (excluding the date on which both Sims and the Bank first become aware of the Issue) (or such other period as agreed to in writing between Sims and the Bank).

(h) The Bank agrees that prior to the resolution of the Dispute or Issue in accordance with the provisions of this clause 14.16, or the termination of the dispute resolution process as contemplated by clause 14.16(f)(viii), the subject matter of any Dispute or Issue may not be taken into account in determining whether Sims is in breach of any of the financial undertakings contained in clause 5 of these Standard Terms that require EBITDA to be calculated.

(i) Sims must bear the costs of complying with this clause 14.16 and comply with the obligations under the Bank Documents during the dispute resolution process contained in this clause 14.16.

(j) In acting under the provisions of this clause 14.16 Sims and the Bank must at all times use reasonable endeavours to resolve any Dispute or Issue.

(k) Each Undertaking Company represents and warrants for the benefit of the Bank that each Other Document that requires or contemplates adjustments to EBITDA contains a dispute resolution clause in substantially the same form as this clause 14.16.

14.17 Further steps

Each Undertaking Company agrees to do anything the Bank asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

(a) to bind the Undertaking Company and any other person intended to be bound under the Bank Documents;

(b) to enable the Bank to register any power of attorney or any Bank Document; or

(c) to show whether the Undertaking Company is complying with this deed.

14.18 Code of Banking Practice

The parties agree that the Code of Banking Practice does not apply to the Bank Documents and the transactions in connection with them.

14.19 Counterparts

Each Bank Document may consist of a number of copies, each signed by one or more parties to that Bank Document. If so, the signed copies are treated as making up the one document.

This Deed has been entered into on the date stated at the beginning of this Deed.

SCHEDULE 1 — ORIGINAL BORROWERS

Name of company	Corporation number	Jurisdiction of incorporation / registration / organisation
Sims Metal Management Limited	114 838 630	Australia
Sims Group Australia Holdings Limited	008 634 526	Australia
Sims Group UK Limited	3242331	United Kingdom
Sims Group UK Holdings Limited	2904307	United Kingdom
Mirec BV	17073024	The Netherlands
Sims Recycling Solutions AB	N/A	Sweden
Sims Group USA Corporation	N/A	Delaware
Sims Group Global Trade Corporation	N/A	Delaware
North Carolina Resource Conservation LLC	N/A	North Carolina
Sims Group USA Holdings Corporation	N/A	Delaware
Schiabo Larovo Corporation	N/A	Delaware
Simsmetal East LLC	N/A	Delaware
Simsmetal West LLC	N/A	Delaware
Metal Management, Inc.	N/A	Delaware
Metal Management Alabama, Inc.	N/A	Delaware
Metal Management Arizona, L.L.C.	N/A	Arizona
Metal Management Connecticut, Inc.	N/A	Delaware
Metal Management Memphis, L.L.C.	N/A	Tennessee
Metal Management Midwest, Inc.	N/A	Illinois
Metal Management Mississippi, Inc.	N/A	Delaware
Metal Management Northeast, Inc.	N/A	New Jersey
Metal Management Ohio, Inc.	N/A	Ohio
Metal Management West, Inc.	N/A	Colorado
Proler Southwest LP	N/A	Texas
Metal Dynamics Detroit LLC	N/A	Delaware

SCHEDULE 2 — ORIGINAL GUARANTORS

Name of company	Corporation number	Jurisdiction of incorporation / registration / organisation
Sims Group Australia Holdings Limited	008 634 526	Australia
Sims Metal Management Limited	114 838 630	Australia
Simsmetal Holdings Pty Limited	000 021 563	Australia
Simsmetal Services Pty Limited	000 166 987	Australia
Sims Manufacturing Pty Limited	004 332 870	Australia
Sims Industrial Pty Limited	000 090 479	Australia
Sims Energy Pty Limited	009 667 752	Australia
Sims Group UK Limited	3242331	UK
Sims Group UK Holdings Limited	2904307	UK
Mirec BV	17073024	The Netherlands
Sims Recycling Solutions AB	N/A	Sweden
Simsmetal Industries Limited	N/A	New Zealand
Sims M+R GmbH	N/A	Germany
Sims Group German Holdings GmbH	N/A	Germany
Sims Metal Management Asia Limited (previously known as Sims Asia Holdings Limited)	N/A	Hong Kong
Sims Group Recycling Solutions Canada Ltd	N/A	Canada
Sims Group Canada Holdings Limited	N/A	Canada
Sims Group USA Corporation	N/A	Delaware
Sims Group Global Trade Corporation	N/A	Delaware
North Carolina Resource Conservation, LLC	N/A	North Carolina
Sims Group USA Holdings Corporation	N/A	Delaware
SHN Co., LLC	N/A	Delaware
HNE Recycling LLC	N/A	Delaware
HNW Recycling LLC	N/A	Delaware
Schiabo Larovo Corporation	N/A	Delaware
Simsmetal East LLC	N/A	Delaware
Simsmetal West LLC	N/A	Delaware
Sims Recycling Solutions Holdings Inc. (formerly Sims Recycling Solutions, Inc.)	N/A	Illinois
Sims Recycling Solutions, Inc. (formerly United Refining & Smelting Co.)	N/A	Illinois
Metal Management, Inc.	N/A	Delaware
CIM Trucking, Inc.	N/A	Illinois
Metal Management Alabama, Inc.	N/A	Delaware
Metal Management Arizona, L.L.C.	N/A	Arizona
Metal Management Connecticut, Inc.	N/A	Delaware
Metal Management Indiana, Inc.	N/A	Illinois
Metal Management Memphis, L.L.C.	N/A	Tennessee
Metal Management Midwest, Inc.	N/A	Illinois
Metal Management Mississippi, Inc.	N/A	Delaware
Metal Management New Haven, Inc.	N/A	Delaware
Metal Management Northeast, Inc.	N/A	New Jersey
Metal Management Ohio, Inc.	N/A	Ohio

Name of company	Corporation number	Jurisdiction of incorporation / registration / organisation
Metal Management Pittsburgh, Inc.	N/A	Delaware
Metal Management Proler Southwest, Inc.	N/A	Delaware
SMM — North America Trade Corporation	N/A	Delaware
Metal Management West Coast Holdings, Inc.	N/A	Delaware
Metal Management West, Inc.	N/A	Colorado
MM Metal Dynamics Holdings, Inc.	N/A	Delaware
Naporano Iron & Metal, Inc.	N/A	Delaware
New York Recycling Ventures, Inc.	N/A	Delaware
Proler Southwest GP, Inc.	N/A	Delaware
Proler Southwest LP	N/A	Texas
Reserve Iron & Metal Limited Partnership	N/A	Delaware
Metal Dynamics LLC	N/A	Delaware
Metal Dynamics Detroit LLC	N/A	Delaware
Metal Dynamics Indianapolis LLC	N/A	Delaware
Sims Municipal Recycling of New York LLC	N/A	Delaware

SCHEDULE 3 — COMPLIANCE CERTIFICATE

TO: National Australia Bank Limited
Level 24
255 George Street
SYDNEY NSW 2000

Attention: Director, Industrials

Compliance Certificate — [insert name of Bank Document eg A$100,000,000.00 Multicurrency Revolving Floating Rate Cash Advance Facility — Letter Of Offer dated [•] between National Australia Bank Limited, Sims Metal Management Limited and Others ("Facility Letter")]

We refer to the Standard Terms and the Facility Letter.

For the 12 month period ended on [•][1]

(a) TNW was [•]; and

(b) EBITDA divided by Net Interest Expense was [•] times; and

(c) Total Finance Debt divided by EBITDA was [•] times,

as is evidenced by the attached supporting calculations[2].

Since the date of the last Compliance Certificate no condition or event that constitutes an Event of Default, Potential Event of Default or Review Event has occurred or is subsisting, except [•].

The representations and warranties in the Standard Terms are true and correct as though they have been made at the date of this certificate in respect of the facts and circumstances then subsisting, except [•].

The "Interpretation" clause of the Facility Letter applies to this notice as if it was fully set out in this notice.

For and on behalf of

Sims Metal Management Limited
ABN 69 114 838 630

(ee) By: (ff) (gg) and (hh)

[Authorised Officers]

Dated: [•]

Instructions for completion:

---

1 Insert relevant date.

2 Attach documents supporting the calculations set out.

SCHEDULE 4 — FORM OF VERIFICATION CERTIFICATE

[To be signed by director of the relevant company, or in the case of a corporation or entity incorporated or organised under the laws of a state of the United States of America, by a secretary or assistant secretary of that entity.]]

To: National Australia Bank Limited
Level 24
255 George Street
SYDNEY NSW 2000

Attention: Director, Industrials

Verification Certificate -[insert name of Bank Document eg A$100,000,000.00 Multicurrency Revolving Floating Rate Cash Advance Facility — Letter Of Offer dated [•] between National Australia Bank Limited, Sims Metal Management Limited and Others ("Facility Letter")]

I am a director of [•] (**"the Company"**).

I refer to the Facility Letter and the Standard Terms.

The "Interpretation" clause of the Facility Letter applies to this Verification Certificate as if it was fully set out in this Verification Certificate (including those defined terms in that "Interpretation" clause incorporated into that clause by reference to another Bank Document).

I hereby certify that:

1 Attachments

Attached are true, complete and up-to-date copies (or, where specified below, originals) of the following and there have been no amendments or variations since the date of the copy or original:

(a) (**power of attorney**) A power of attorney under which the Company executed the Bank Documents to which it is or will be a party, and, if required by the Bank, evidence of its stamping and registration.

(b) (**extract of board minutes**) Extracts of minutes of meeting of directors of the Company which evidences the resolutions:

(i) authorising the execution and delivery of and observance of obligations under the Bank Documents to which it is or will be a party,

(ii) authorising the appointment of Authorised Officers of the Company; and

(iii) explaining why the directors believe it is in the best interests of the Company] *[this sentence to be inserted in relation to all foreign companies and in relation to all Guarantors]*

together with any other document which evidences any other necessary corporate or other action of the Company in connection with the Bank Documents to which it is or will be a party;

(c) (**extract of Shareholder Minutes**) [Extracts of minutes of a meeting of all members of the Company which evidences the unanimous resolutions of those shareholders authorising execution and delivery of and observance of obligations under the Bank Documents to which it is a party;] *[These must be provided if the Bank considers that paragraph (b) is insufficient]*

(d) (**certificate of registration and constituent documents**) This Verification Certificate attaches a copy of the certificate of incorporation and constituent documents for the Company [or an original certificate signed by a director of the Company confirming that there are no constituent documents], including, in the case of each Guarantor other than Sims which is incorporated in Australia evidence that the constitution incorporates a provision which expressly authorises the directors of each such corporation to act in the best interests of its holding company;

(e) (**legal opinion**) An opinion in favour of the Bank by lawyers acceptable to the Bank in the jurisdiction of incorporation or organisation of the Company, in respect of the Company and due execution of, and enforceability against, the Company of the Bank Documents to which it is a party;

(f) (**Authorisations**) Any Authorisations necessary for the Company to execute and observe obligations under and enforce the Bank Documents] / [an original certificate signed by a director of the Company confirming that no Authorisations are required to enter into, observe obligations under and enforce the Bank Documents] [delete whichever is inapplicable];

(g) (**specimen signatures**) Specimen signatures of each Authorised Officer of each Undertaking Company;

(h) (**structure chart**) a complete diagram showing the structure and ownership arrangements of the Sims Group;

(i) (**KYC & AML**) [if not already provided], each document or information necessary in the Bank's opinion to enable the Bank to do any know your customer checks or anti-money laundering checks; and

(j) [in the case of each Undertaking Company incorporated or organised in a State of the United States] (**certificate of good standing**) A certificate from the Secretary of State of the State of incorporation or organisation of any United States of America incorporated or organised Company, certifying the Company's good standing in that State.

2 Confirmations, representations and warranties

I confirm:

(a) that borrowing or guaranteeing or securing, as appropriate, the commitments under all Bank Documents, would not cause any borrowing, guarantee, security or similar limit binding on the Company to be exceeded;

(b) that the Company is solvent and able to pay its debts as and when they fall due;

(c) that the representations and warranties set out in clause 2 (Representations and Warranties) of the Standard Terms are true and correct;

(d) the Company is not prevented by Chapter 2E or any other provision of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) from entering into and performing any of the Bank Documents to which it is a party or the giving of effect to the transactions contemplated by them;

(e) that Chapter 2J.3 of the Corporations Act (or similar laws under the laws of any other jurisdiction which may be applicable to it) has not been and will not be breached by the Company entering into the Bank Documents to which it is a party or the giving of effect to the transactions contemplated by them; and

(f) that the entry by the Company into the Bank Documents to which it is a party and the giving of effect to the transactions contemplated by them is in its best interests and for the purposes of its business.

Date

Signature of Director

Name of Director (block letters)

Attachment (g) to Verification Certificate — Specimen Signatures

Set out below are specimen signatures of the Authorised Officers of the Company.

Authorised Officers#

Name	Position	Signature
*	*	_____
*	*	_____
*	*	_____

SIGNATURE PAGE

Signed, sealed and delivered on

By **Cosmino Attilio Piredda**
as attorney for **National Australia Bank Limited**
under power of attorney dated
1 March 2007

in the presence of:

(signed) Mandy Tsang
Signature of witness

Mandy Tsang
Name of witness (block letters)

(signed) Cosmino Attilio Piredda
By executing this deed the attorney states that the attorney has received no notice of revocation of the power of attorney

Signed by
Sims Metal Management Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) Paul Mazoudier	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
Paul Mazoudier	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Sims Group Australia Holdings Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Simsmetal Holdings Pty Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Simsmetal Services Pty Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Sims Manufacturing Pty Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Sims Industrial Pty Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Signed by
Sims Energy Pty Limited
in accordance with section 127(1) of the
Corporations Act 2001 (Cwlth)
by a director and secretary/director:

(signed) George Lara	(signed) Frank Moratti
Signature of director	Signature of ~~director~~/secretary
George Lara	Frank Moratti
Name of director (please print)	Name of ~~director~~/secretary (please print)

Executed as a deed by
Sims Group UK Limited
by a director and secretary/director:

(signed) Graham Davy	(signed) Martin Edmund Coombs
Signature of director	Signature of director/secretary
Graham Davy	Martin Edmund Coombs
Name of director (please print)	Name of director/secretary (please print)

Executed as a deed by
Sims Group UK Holdings Limited
by a director and secretary/director:

(signed) Graham Davy	(signed) William Thomas Bird
Signature of director	Signature of director/secretary
Graham Davy	William Thomas Bird
Name of director (please print)	Name of director/secretary (please print)

Signed by
Mirec BV
by a director and secretary/director:

(signed) Graham Davy
Signature of director

(signed) William Thomas Bird
Signature of director/secretary

Graham Davy
Name of director (please print)

William Thomas Bird
Name of director/secretary (please print)

in the presence of:

(signed) Pippa Ward
Signature of witness

Pippa Ward
Name of witness (block letters)

Signed by
Sims Recycling Solutions AB
by a director and secretary/director:

(signed) Graham Davy	(signed) William Thomas Bird
Signature of director	Signature of director/secretary
Graham Davy	William Thomas Bird
Name of director (please print)	Name of director/secretary (please print)

in the presence of:

(signed) Pippa Ward
Signature of witness

Pippa Ward
Name of witness (block letters)

Executed by
Simsmetal Industries Limited
by its director:

(signed) Angus Stuart Barrett
Signature of director

Angus Stuart Barrett
Name of director (please print)

in the presence of:

(signed) Lois Margaret McKenzie
Signature of witness

Lois Margaret McKenzie
Name of witness (block letters)

(signed) Frank Moratti
Signature of director

Frank Moratti
Name of director (please print)

in the presence of:

(signed) Mary Reedy
Signature of witness

Mary Reedy
Name of witness (block letters)

Executed by
Sims M+R GmbH
by its officer:

(signed) Marc Affüpper
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Marc Affüpper
Name of officer (please print)

(signed) Jürgen Ostwald
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Jürgen Ostwald
Name of officer (please print)

in the presence of:

(signed) Marc Faller
Signature of witness

Marc Faller
Name of witness (block letters)

Executed by
Sims Group German Holdings GmbH
by its officer:

(signed) Marc Faller
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Marc Faller
Name of officer (please print)

in the presence of:

(signed) Marc Affüpper
Signature of witness

Marc Affüpper
Name of witness (block letters)

(signed) Martin Edmund Coombs
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Martin Edmund Coombs
Name of officer (please print)

The **Common Seal** of **Sims Metal Management Asia Limited** (previously known as Sims Asia Holdings Limited) was affixed to this Deed

L.S.

in the presence of:

(signed) Tanya Moratti
Signature of witness

Tanya Moratti
Name of witness (please print)

(signed) Frank Moratti
Signature of ~~director~~ / Authorised Officer

Frank Moratti
Name of ~~director~~ / Authorised Officer (please print)

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

(signed) Doug Foss
Signature of witness

Doug Foss
Name of witness (please print)

(signed) Robert Larry
Signature of director / Authorised Officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Robert Larry
Name of director / Authorised Officer (please print)

Executed by
Sims Group Recycling Solutions Canada Ltd
by its officer:

(signed) Darrell Stoecklin
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Darrell Stoecklin
Name of officer (please print)

Title of officer (please print)

in the presence of:

(signed) Patricia Frank
Signature of witness

Patricia Frank
Name of witness (block letters)

Executed by
Sims Group Canada Holdings Limited
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

Title of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Sims Group USA Corporation
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Sims Group Global Trade Corporation
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
North Carolina Resource Conservation, LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Sims Group USA Holdings Corporation
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
SHN Co., LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
HNE Recycling LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
HNW Recycling LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Schiabo Larovo Corporation
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Simsmetal East LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Simsmetal West LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Sims Recycling Solutions Holdings Inc.
by its officer:

(signed) Darrell Stoecklin
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Darrell Stoecklin
Name of officer (please print)

in the presence of:

(signed) Patricia Frank
Signature of witness

Patricia Frank
Name of witness (block letters)

Executed by
Sims Recycling Solutions, Inc.
by its officer:

(signed) Darrell Stoecklin
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Darrell Stoecklin
Name of officer (please print)

in the presence of:

(signed) Patricia Frank
Signature of witness

Patricia Frank
Name of witness (block letters)

Executed by
Metal Management, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
CIM Trucking, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Alabama, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Arizona, L.L.C.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Connecticut, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Indiana, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Memphis, L.L.C.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Midwest, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Mississippi, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management New Haven, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Northeast, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Ohio, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Pittsburgh, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management Proler Southwest, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
SMM — North America Trade Corporation
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management West Coast Holdings, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Management West, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
MM Metal Dynamics Holdings, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Naporano Iron & Metal, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
New York Recycling Ventures, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Proler Southwest GP, Inc.
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Proler Southwest LP
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Reserve Iron & Metal Limited Partnership
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Dynamics LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Dynamics Detroit LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Metal Dynamics Indianapolis LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

Executed by
Sims Municipal Recycling of New York LLC
by its officer:

(signed) Myles A. Partridge
Signature of officer

By executing this deed the signatory states that the signatory has received no notice of revocation of the authority under which the signatory signs this deed

Myles A. Partridge
Name of officer (please print)

in the presence of:

(signed) Brian S. Brandt
Signature of witness

Brian S. Brandt
Name of witness (block letters)

ANNEXURE

ADDITIONAL BORROWER / ADDITIONAL GUARANTOR
FORM OF ACCESSION DEED

[insert if applicable: Additional Borrower and]	[name and ABN/ACN/corporation number] of
	address:
Additional Guarantor	
	fax no:
	Attention:
Standard Terms	The deed entitled "Standard Terms" dated on or about [•], between, among others, Sims Metal Management Limited and National Australia Bank Limited (***Bank***).
Group Guarantee	The deed entitled "Group Guarantee" dated on or about the date of this deed between the Original Guarantors, Original Borrowers and the Bank.
[insert name of other Bank Document]	(***insert short name of Bank Document***) dated on or about [•], between [among others], [insert Sims entities] and the Bank.

By this deed [insert if applicable: the Additional Borrower and] Additional Guarantor described above, for the benefit of the parties to the Standard Terms described above:

1. [insert if applicable: irrevocably agrees that from the date of this deed poll it is:
   (a) a Borrower under the Standard Terms; and
   (b) a Debtor under the Group Guarantee; and
   (c) an [insert status] under the [insert name of other Bank Document described above].];
2. irrevocably agrees that from the date of this deed poll it is:
   (a) a Guarantor under the Standard Terms; and
   (b) a Guarantor under the Group Guarantee;
3. irrevocably agrees to comply with and be bound by all current and future obligations of:
   (a) [insert if applicable: a Borrower under the Standard Terms and a Debtor under the Group Guarantee]; and
   (b) a Guarantor under the Standard Terms, and
   (c) a Guarantor under the Group Guarantee;
   (d) [insert status if applicable] under the [insert name of other Bank Document described above];
4. acknowledges having read a copy of the Standard Terms, Group Guarantee, [insert name of other Bank Document described above] and each other Bank Document before signing this deed poll;

5. gives, as at the date of this deed poll, all representations and warranties on the part of the [insert if applicable: Borrower, Debtor and the] Guarantor contained in the relevant Bank Documents; and

6. acknowledges receiving valuable consideration for this deed poll.

By this deed each present Guarantor, for the benefit of the parties to the Standard Terms described above:

1. agrees to the Additional Guarantor becoming a party to the Standard Terms and Group Guarantee; and

confirms:

2. that its obligations under the Standard Terms and Group Guarantee and all other Bank Documents, remain in full force and effect, notwithstanding the provisions of this Deed; and

3. that nothing in this Deed affects its obligations to the Bank or the Bank's rights in respect of it under the Bank Documents; and

4. that nothing in this Deed affects the rights and obligations of any other person.

Clauses 1 (***Definitions and Interpretation***), of the Standard Terms described above applies to this deed poll as if it were fully set out in this deed poll, unless otherwise defined in this deed.

Clause 14.5 (***Governing law and Jurisdiction***) of the Standard Terms described above applies to this deed poll as if it were fully set out in this deed poll, the necessary changes being made.

DATED [Insert Date]

EXECUTED as a deed poll

[Execution clause for Additional Guarantor as follows]
The Common Seal of
[Company Name]
was duly affixed in the presence of:

(g) Signature		(h)	(i) Signature	
(j) Print Name		(k)	(l) Print Name	
(m) Office Held		(n)	(o) Office Held	

Signed, sealed and delivered by
as attorney for **Sims Metal Management Limited on its own behalf and on behalf of each Guarantor** under power of attorney dated

in the presence of:

Signature of witness

Name of witness (block letters)

By executing this deed the attorney states that the attorney has received no notice of revocation of the power of attorney

Exhibit 4.28

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN PORTIONS OF THIS AGREEMENT. CONFIDENTIAL PORTIONS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

3 May 2010

The Directors
Sims Metal Management Limited
Sir Joseph Banks Corporate Park
Suite 3, Level 2
32-34 Lord Street
Botany NSW 2019

Attention: Mr Peter Ricketts

Dear Sirs

Multi-Currency Revolving Floating Rate Cash Advance Facility

We refer to the Letter of Offer dated 13 March 2009 between Sims Metal Management Limited ABN 69 114 838 630 (***Sims***) and National Australia Bank Limited (***Bank***) (**Agreement**).

Terms defined in the Agreement have the same meanings in this letter, unless the context requires a different meaning.

The Bank agrees, subject to Sims' and the Borrowers' acceptance of the terms of this letter that, as at the date of this letter, clause 2.1 of the Agreement is varied so that the second column at clause 2.1 is deleted and replaced with:

A$150,000,000 (as reduced, the ***Commitment***).

That maximum applies to the Borrowers as a whole and is not a limit applying to each Borrower individually

Furthermore, pursuant to clause 2.7 of the Agreement, the Bank by notice to Sims, extend the Repayment Date of the Facility to **13 March 2012** on the following terms.

1. [*]

2. The Margin grid set out in Clause 2.3 of the Agreement is replaced with the following

Total Finance Debt / EBITDA	***Margin***
[*]	**[*]**

[*] Confidential Treatment Requested

3. The Commitment Fee set out in Clause 2.9 of the Agreement is amended to **[*]** of the applicable Margin.

If Sims and the Borrowers agree to the increase in the Commitment to A$150,000,000 and the extension of the Repayment Date on the terms set out above, kindly acknowledge your acceptance in the place provided below and return to the Bank an executed copy of this letter. If Sims and the Borrowers do not want the increase in the Commitment to A$150,000,000 and the Repayment Date extended as set out in this letter, please notify the Bank within 5 Business Days of the date of this letter; in which event the Commitment will not be increased from its current A$100,000,000 and the Repayment Date will not be extended and the Commitment will be cancelled on the current Repayment Date.

This letter is a Bank Document for the purpose of the Standard Terms. This letter may be signed in any number of counterparts and this has the same effect as if the signature on the counterpart were on a single copy of the letter.

Yours faithfully

Signed by or on behalf of National Australia Bank Limited

Steven Russell
Associate Director
NAB Institutional Banking

Acknowledgement and Acceptance

Sims and each Borrower acknowledge, accept and agree to the terms of this letter by signing below.

EXECUTED by SIMS METAL MANAGEMENT LIMITED in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:	)	
_____	)	_____
Signature of director	)	Signature of director/company secretary*
	)	* delete whichever is not applicable
_____	)	_____
Name of director (block letters)	)	Name of director/company secretary* (block letters)
	)	* delete whichever is not applicable

[*] Confidential Treatment Requested

Signed by
Sims Group Australia Holdings Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Sims Group UK Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Sims Group UK Holdings Limited
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Signed by
Mirec BV
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

[*] Confidential Treatment Requested

Signed by
Sims Recycling Solutions AB
by a director and secretary/director:

Signature of director	Signature of director/secretary
Name of director (please print)	Name of director/secretary (please print)

Executed by
Sims Group USA Corporation
by its officer:

Signature of officer

Name of officer (please print)

Executed by
Sims Group Global Trade Corporation
by its officer:

Signature of officer

Name of officer (please print)

Executed by
North Carolina Resource Conservation, LLC
by its officer:

Signature of officer

Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Sims Group USA Holdings Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Schiabo Larovo Corporation
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Simsmetal East LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Simsmetal West LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Alabama, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Arizona, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Connecticut, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Memphis, L.L.C.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Midwest, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Mississippi, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management Northeast, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Executed by
Metal Management Ohio, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Management West, Inc.
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Proler Southwest LP
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

Executed by
Metal Dynamics Detroit LLC
by its officer:

_____
Signature of officer

_____
Name of officer (please print)

[*] Confidential Treatment Requested

Exhibit 4.29

SIMS METAL MANAGEMENT

Suite 4, 20 Clifford Street
Mosman NSW 2088
Australia P.O. Box 947
Spit Junction NSW 2088

Telephone 612 9902 6002
Facsimile: 612 9902 6006
info@simsmm.com
www.simsmm.com

October 20, 2009

Mr. Daniel W. Dienst
Group Chief Executive Officer
Sims Metal Management Limited
110 Fifth Avenue, Suite 700
New York New York 10011

Dear Dan

I am pleased to confirm the following in respect of your remuneration:

1. This letter is to be read in conjunction with your employment agreement with Metal Management Inc dated July 26, 2007 (the *Employment Agreement*), as modified and amended by the letter from Sims Metal Management Limited (formerly Sims Group Limited) (*SimsMM*) dated September 24, 2007, and the Code Section 409A Amendment dated on or around December 19, 2008.

2. Your base compensation (*Base*) will increase to USD 1,250,000 to be effective from January 1, 2009 when you assumed full global responsibility for SimsMM (with a catch-up payment to be made in the next payroll run); for 2010 Fiscal Year remuneration, your STI will increase to a target of 130% of Base with a threshold of 65% and a maximum of 260%; your LTI will increase to 300% of Base and be allocated as to 100% in Options and 200% in Performance Rights (with re-testing). The applicable SimsMM STI and LTI Plans are those approved by the Remuneration Committee from time to time for Company senior executives.

3. Your new remuneration package provides the basis for calculating other benefits (if any) under your Employment Agreement including termination benefits.

4. The next review of your total compensation package and its elements will occur so as to commence and be effective from July 1, 2010. Although we have only recently established a new peer group of companies for the purpose of benching the CEO's remuneration, the Remuneration Committee will subject that peer group and the resultant benchmarking to a review to ensure that the membership of the peer group is still appropriate. That review would commence no later than beginning of the fourth quarter of the 2010 fiscal year.

   Please note that any review of your remuneration must comply with the then applicable Australian and US laws, relevant listing rules and guidelines and shall take account of 'best practices' as advised to us by our retained remuneration consultants.

5. Your Employment Agreement expires in March 2012. Subject to your continued employment we will commence discussion with you of a new contract before the expiry of the existing one in order for the term of the contract to be consistent with the Sims MM fiscal periods, that is, to aim to be in effect from no later than the beginning of fiscal 2012. We would thus envisage commencing discussions with you no later than the beginning of the second quarter of fiscal 2011.

6. Except as may be modified by this letter and the September 24, 2007 letter and the Code Section 409A Amendment dated on or around December 19, 2008, all the terms of your Employment Agreement remain unamended. You and SimsMM will bear your and its own costs in this matter.

Dan, the Board and I look forward to working with you and supporting you to continue to develop the world's safest, largest and most successful recycling company for the benefit of all stakeholders.

Kind regards

Paul Varello
Chairman
Sims Metal Management Limited

Exhibit 8.1

Australia
Sims Aluminum Pty Limited
Sims Energy Pty Limited
Sims E-Recycling Pty Limited (90% direct interest)
Sims Group Australia Holdings Limited
Sims Group Holdings 1 Pty Ltd
Sims Group Holdings 2 Pty Ltd
Sims Industrial Pty Limited
Sims Manufacturing Pty Limited
Sims Superannuation Management Pty Limited
Sims Tyrecycle Properties Pty Ltd
Simsmetal Executive Staff Superannuation Pty Limited
Simsmetal Holdings Pty Limited
Simsmetal Services Pty Limited
Simsmetal Staff Equity Pty Limited
Universal Inspection and Testing Company Pty Limited
Australian Refined Alloys Pty Limited (50% joint venture interest)
Australia Refined Allow (Sales) Pty Ltd (50% joint venture interest)
LMS generation Pty Limited (50% joint venture interest)
Consolidated Extrusions Pty Limited (33.3% joint venture interest)
Consolidated Extrusions (Management) Pty Limited (33.3% joint venture interest)

Belgium
Sims Recycling Solutions NV

Canada
Sims Group Canada Holdings Limited
Sims Recycling Solutions Canada Ltd
Richmond Steel Recycling Limited (50% joint venture interest)

France
Sims Recycling Solutions SARL

Germany
Sims Group German Holdings GmbH
Sims M+R GmbH
Sims Technorecyle GmbH

Hong Kong
Sims Metal Management Asia Limited

India
Trishyiraya Recycling India Private Ltd

Mauritius
Sims Group Mauritius Limited

The Netherlands
Mirec BV
Sims Recycling Solutions Cooperatief B.A.

New Zealand
Simsmetal Industries Limited

Sims E-Recycling (NZ) Limited
Sims Pacific Metals Limited (50% joint venture interest)
Extruded Metals (New Zealand) Limited (33.3% joint venture interest)

Papua New Guinea
PNG Recycling Limited

Singapore
Sims Recycling Solutions Pte Ltd

South Africa
Sims Recycling Solutions Africa Pty Ltd

Spain
Life Cycle Services Iberia S.L. (35% joint venture interest)

Sweden
Sims Recycling Solutions AB

United Kingdom
All Metal Recovery Limited
All Metal Recovery Cradley Heath Limited
ER Coley (Steel) Limited
ER Coley (Cast) Limited
Evans & Mondon Limited
Life Cycle Services Limited
Recommit Limited
Sims Cymru Limited
Sims Group UK Holdings Limited
Sims Group UK Intermediate Holdings Limited
Sims Group UK Limited
Sims Group UK Pension Trustees Limited
Sims Recycling Solutions UK Holdings Limited
United Castings Limited
C Herring & Son Limited
Sims Recycling Solutions UK Limited
Sims Recycling Solutions UK Group Limited

United States
Arizona
Metal Management Arizona, L.L.C.

Colorado
Metal Management West, Inc.

Delaware
Sims Metal Management USA GP
Sims Group USA Holdings Corporation
Sims Group USA Corporation
SHN Co, LLC
HNE Recycling LLC
HNW Recycling LLC
Simsmetal East LLC
Simsmetal West LLC

Delaware *(continued)*
Sims Group Global Trade Corporation
Dover Barge Company
Schiabo Larovo Corporation
Sims Municipal Recycling of New York, LLC
Metal Management, Inc.
Metal Dynamics Detroit LLC
TH Properties LLC (formerly Metal Dynamics Indianapolis LLC)
Metal Dynamics LLC
Metal Management Aerospace, Inc.
Metal Management Alabama, Inc.
Metal Management Connecticut, Inc.
Metal Management Mississippi, Inc.
Metal Management New Haven, Inc.
Metal Management Pittsburgh, Inc.
Metal Management Proler Southwest, Inc.
SMM-North America Trade Corporation
Metal Management West Coast Holdings, Inc.
MM Metal Dynamics Holdings, Inc.
Naparano Iron & Metal, Inc.
New York Recycling Ventures, Inc.
Proler Southwest GP, Inc.
Reserve Iron & Metal Limited Partnership
Port Albany Ventures LLC
Metal Management Nashville, LLC (50% joint venture interest)
SA Recycling LLC (50% joint venture interest)
Rondout Iron & Metal Company, LLC (50% joint venture interest)

Florida
Global Investment Recovery, Incorporated

Illinois
Sims Recycling Solutions Holdings, Inc.
Sims Recycling Solutions, Inc.
CIM Trucking, Inc.
Metal Management Indiana, Inc.
Metal Management Midwest, Inc.

New Jersey
Metal Management Northeast, Inc.

North Carolina
North Carolina Resource Conservation LLC

Ohio
Metal Management Ohio, Inc.

Tennessee
Metal Management Memphis, L.L.C.

Texas
Proler Southwest LP

Exhibit 12.1

CERTIFICATIONS

I, Daniel W. Dienst, certify that:

1. I have reviewed this annual report on Form 20-F of Sims Metal Management Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 6, 2010

/s/ Daniel W. Dienst
Daniel W. Dienst
Group Chief Executive Officer

Exhibit 12.2

CERTIFICATIONS

I, Robert C. Larry, certify that:

1. I have reviewed this annual report on Form 20-F of Sims Metal Management Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 6, 2010

/s/ Robert C. Larry
Robert C. Larry
Group Chief Financial Officer

Exhibit 13.1

Certification Pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Sims Metal Management Limited (the "Company"), does hereby certify, to such officer's knowledge, that:

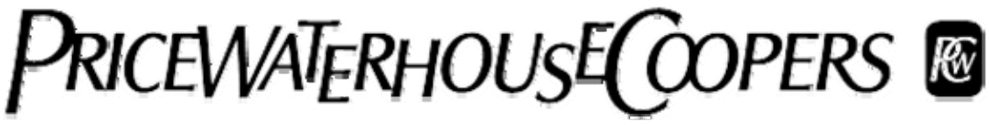
The Annual Report on Form 20-F for the year ended June 30, 2010 (the "Form 20-F") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel W. Dienst
Daniel W. Dienst
Group Chief Executive Officer
December 6, 2010

/s/ Robert C. Larry
Robert C. Larry
Group Chief Financial Officer
December 6, 2010

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 15.1



PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
pwc.com.au

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-156922 and No. 333-149717) of Sims Metal Management Limited of our report dated 27 August 2010 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers
PricewaterhouseCoopers
Sydney, Australia
6 December 2010

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-156922 and No. 333-149717) of Sims Metal Management Limited of our report dated August 3, 2010 relating to the consolidated financial statements of SA Recycling, LLC, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Irvine, California
December 1, 2010