SIMS METAL MANAGEMENT

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25 October 2011

Anthony Ingegneri
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By email: anthony.ingegneri@asx.com.au

Dear Anthony,

I refer to your letter dated 24 October 2011 and the Appendix 3Y lodged by Sims Metal Management Limited (the "Company") with ASX Limited on 21 October 2011 for Mr Brunsdon (the "Notice").

In answer to the questions raised in your letter, we respond as follows:

1. Please explain why the Notice was lodged late.

The Notice was in respect of the participation by Mr Brunsdon in the Company's Dividend Reinvestment Plan ("DRP"). Mr Brunsdon incorrectly assumed that the Company was automatically notified of changes in his interests through his participation in the DRP. Further, the Company's Secretarial Department inadvertently did not pick up Mr Brunsdon's participation in the DRP as it related to the two dividends paid by the Company on 22 October 2010 and 8 April 2011.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has appropriate agreements in place with directors under which directors are obliged to provide the necessary information to the Company. Directors must also comply with pre-approval notification procedures detailed in the Company's Securities Trading Policy ("Trading Policy").

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company believes the current arrangements are adequate. Further, Mr Brunsdon has informed the Company that he will be terminating his participation in the DRP during the next trading window available under the Trading Policy.

Yours sincerely

F. Moratti

Frank Moratti
Group General Counsel and Company Secretary

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24 October 2011

Frank Moratti
Company Secretary
Sims Metal Management Limited
Sir Joseph Banks Corporate Park
Suite 3, Level 2
32-34 Lord Street
Botany NSW 2019

By Email:

Dear Frank,

Sims Metal Management Limited (the "Company"")

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 21 October 2011 for Geoffrey Norman Brunsdon (the "Notice").

2. Listing rule 3.19A.2 which requires an entity to tell ASX the following:

   A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3. Listing rule 3.19B which states as follows:

   An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Notice indicates that changes in Geoffrey Norman Brunsdon's notifiable interest occurred on 22 October 2010 and 8 April 2011. It appears that Notices should have been lodged with ASX by 29 October 2010 and 15 April 2011 respectively. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Notice was lodged late.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at **anthony.ingegneri@asx.com.au** or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (**i.e. before 9.30 a.m. A.E.D.T.**) on Thursday, 27 October 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be sent in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anthony Ingegneri
Adviser, Listings (Sydney)