



ASX & MEDIA RELEASE

(ASX: SGM, USOTC: SMSMY)

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SIMS METAL MANAGEMENT UPDATES EARNINGS GUIDANCE FOR FIRST HALF FINANCIAL YEAR 2017

Sims Metal Management Limited (ASX:SGM, USOTC:SMSMY) today announced it expects 1H FY17 underlying EBIT to be between \$75 million and \$79 million. Based on preliminary unaudited financials, 1H FY17 underlying EBIT will be a material improvement on previous guidance of underlying EBIT 'similar to' 2H FY16 of \$63 million¹.

1H FY17 statutory earnings are also expected to be higher than underlying, related primarily to a gain on sale of non-core real estate. Statutory EBIT for the first half of FY17 is anticipated to be between \$95 million and \$99 million.

The stronger performance was assisted by cost reductions, optimisation initiatives, and higher ferrous and non-ferrous prices, particularly in 2Q FY17.

Net cash at 31 December 2016 is expected to be around \$300 million. The improved net cash position from \$242 million as at 30 June 2016 principally relates to strong operating cash flow, as well as proceeds from the sale of non-core assets.

While 1H FY17 market conditions improved over the prior period, the recent decline in the price of coking coal, instability in Turkey, and typical winter weather challenges in North America will need to be monitored as these factors evolve during 3Q FY17.

Sims Metal Management will release its full 1H FY17 earnings on 15 February 2017, at which time the Company will provide further commentary on financial results and market conditions.

¹ Previous guidance delivered on 9 November 2016.

About Sims Metal Management

Sims Metal Management is one of the world's largest metal recyclers with circa 200 facilities, operations in 20 countries, and over 4,750 employees globally. Sims' core businesses are metal recycling and electronics recycling, with circa 55% of its revenue from operations in North America. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY).

Please visit our website (www.simsmm.com) for more information on the Company and recent developments.

Investor and media inquiries contact

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