

SIMS GROUP LIMITED

ABN 69 114 838 630

**Preliminary Final Report
given to the ASX under listing rule 4.3A**

30 JUNE 2007

Appendix 4E

Preliminary final report

Name of entity

SIMS GROUP LIMITED

ACN or ARBN

69 114 838 630

Financial year ended

30 June 2007

For announcement to the market

		A\$'000
Revenue from ordinary activities (<i>item 1.1</i>)		Up 47.8% to 5,550,897
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)		Up 29.4% to 254,375
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5</i>)		(gain) loss of -
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)		Up 29.4% to 254,375
Dividends (distributions)	Amount per security	Franked amount per security
Final dividend (<i>item 13.4</i>)	60.0¢	51%
Previous corresponding period (<i>item 13.5</i>)	60.0¢	51%
Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>item 13.2</i>)		5 October 2007
Brief explanation of any of the figures reported above and any short details of any bonus or cash issue or other item(s) of importance not previously released to the market:		
Not applicable		

SIMS GROUP LIMITED

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
1.20 Profit from ordinary activities after tax (<i>item 1.7</i>)	254,375	196,646
1.21 Less (plus) outside equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax attributable to members	254,375	196,646

Revenue and expenses from ordinary activities	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
1.23 Revenue from sales of goods and services	5,548,520	3,752,407
1.24 Interest revenue	2,364	2,047
1.25 Other relevant revenue	13	55
	5,550,897	3,754,509
1.26 Details of relevant expenses		
Other income	(8,978)	(2,105)
Raw materials and finished goods included in cost of sales	3,847,254	2,471,870
Freight expense	540,178	373,153
Employee benefits expense	296,421	238,386
Depreciation and amortisation expense	51,566	41,505
Repairs and maintenance expense	117,993	92,415
Other expenses from ordinary activities	303,312	239,490
	5,147,746	3,454,714
Capital outlays		
1.27 Interest costs capitalised in asset values	-	-
1.28 Outlays capitalised in intangibles (unless arising from an acquisition of a business)	-	-

Consolidated retained profits	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
1.29 Retained profits (accumulated losses) at the beginning of the financial period	337,840	265,635
1.30 Net profit (loss) attributable to the members (<i>item 1.11</i>)	254,375	196,646
1.31 Actuarial gain on retirement benefit obligations (net of tax)	5,211	3,869
1.32 Net effect of changes in accounting policies	-	-
1.33 Dividends and other equity distributions paid	(150,022)	(128,310)
1.34 Retained profits at end of financial period	447,404	337,840

SIMS GROUP LIMITED

Intangible and extraordinary items	CONSOLIDATED			
	Current period to 30 Jun 07			
	Before tax A\$'000	Related tax A\$'000	Related outside equity interests A\$'000	Amount (after tax) attributable to members A\$'000
2.1 Amortisation of goodwill	-	-	-	-
2.2 Write off of goodwill in joint venture	-	-	-	-
2.3 Total amortisation of intangibles	-	-	-	-
2.4 Extraordinary items				
Details	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits	Current period	Previous corresponding period
	A\$'000	A\$'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year <i>(item 1.22 in the half yearly report)</i>	120,287	67,961
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	134,088	128,685

SIMS GROUP LIMITED

Condensed consolidated statement of financial position

	At end of current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000	As in last half- yearly report 31 Dec 06 A\$'000
Current assets			
4.1 Cash and cash equivalents	38,560	15,800	29,473
4.2 Receivables	365,175	356,019	353,158
4.3 Inventories	374,289	333,187	333,750
4.4 Derivative financial instruments	14,798	903	4,085
4.5 Assets classified as held for sale - land and buildings	-	5,733	-
4.6 Total current assets	792,822	711,642	720,466
Non-current assets			
4.7 Investments accounted for using the equity method	25,945	21,761	23,205
4.8 Property, plant and equipment	670,939	590,668	609,330
4.9 Retirement benefit surplus	7,454	-	-
4.10 Deferred tax assets	64,058	34,693	18,409
4.11 Intangibles (net)	625,198	579,075	607,210
4.12 Total non-current assets	1,393,594	1,226,197	1,258,154
4.13 Total assets	2,186,416	1,937,839	1,978,620
Current liabilities			
4.14 Payables	379,911	341,752	249,358
4.15 Derivative financial instruments	492	1,263	848
4.16 Current tax liabilities	41,374	22,343	11,555
4.17 Provisions	17,809	20,881	17,379
4.18 Total current liabilities	439,586	386,239	279,140
Non-current liabilities			
4.19 Interest bearing liabilities	341,326	301,459	400,264
4.20 Deferred tax liabilities	61,733	28,744	23,918
4.21 Provisions	19,119	19,782	29,247
4.22 Retirement benefit obligations	-	4,830	4,400
4.23 Total non-current liabilities	422,178	354,815	457,829
4.24 Total liabilities	861,764	741,054	736,969
4.25 Net assets	1,324,652	1,196,785	1,241,651
Equity			
4.26 Capital/contributed equity	811,976	780,108	797,344
4.27 Reserves	65,272	78,837	59,715
4.28 Retained profits	447,404	337,840	384,592
4.29 Equity attributable to members of the parent entity	1,324,652	1,196,785	1,241,651
4.30 Outside equity interests in controlled entities	-	-	-
4.31 Total equity	1,324,652	1,196,785	1,241,651

SIMS GROUP LIMITED

Consolidated statement of cash flows		Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
Cash flows related to operating activities			
5.1	Receipts from customers (inclusive of goods and services tax)	5,683,089	3,732,075
5.2	Payments to suppliers and employees (inclusive of goods and services tax)	(5,205,939)	(3,412,100)
5.3	Interest received	2,364	2,047
5.4	Interest paid	(30,405)	(18,360)
5.5	Income taxes paid	(135,612)	(95,091)
5.6	Net cash inflows from operating activities	313,497	208,571
Cash flows related to investing activities			
5.7	Payment for purchases of property, plant and equipment	(90,503)	(76,481)
5.8	Proceeds from sale of property, plant and equipment	8,203	2,021
5.9	(Payments)/proceeds from sale of controlled entities, equity and other investments and businesses	(158,914)	(28,515)
5.10	Net cash outflows from investing activities	(241,214)	(102,975)
Cash flows related to financing activities			
5.11	Proceeds from issues of securities (shares, options, etc)	1,872	1,309
5.12	Proceeds from borrowings	940,339	337,801
5.13	Repayment of borrowings	(871,690)	(363,988)
5.14	Dividends paid	(120,026)	(113,292)
5.15	Net financing cash flows	(49,505)	(138,170)
5.16	Net increase (decrease) in cash held	22,778	(32,574)
5.17	Cash at beginning of the financial year <i>(see Reconciliation of cash)</i>	15,800	46,008
5.18	Exchange rate adjustments to item 5.17	(18)	2,366
5.19	Cash at end of financial year <i>(see Reconciliation of cash - Item 6.3)</i>	38,560	15,800

SIMS GROUP LIMITED

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount

On 20 October 2006 \$15.5m of dividends was satisfied by the issue of 742,970 shares and on 10 April 2007 \$14.5m of dividends was satisfied by the issue of 640,065 shares under the Dividend Reinvestment Plan.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
6.1 Cash on hand and at bank	31,404	10,637
6.2 Deposits at call	7,156	5,163
6.3 Total cash at end of period (item 5.27)	38,560	15,800

Ratios

	Current period 30 Jun 07	Previous corresponding period 30 Jun 06
Profit before tax / revenue		
7.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue from ordinary activities (item 1.1).	6.8%	7.6%
Profit after tax / equity interests		
7.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	19.2%	16.4%

8 Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

Earnings per security (EPS)

	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
(a) Basic EPS		
Earnings calculated as net profit or loss adjusted to exclude:	254,375	196,646
- any portion attributable to outside equity interest	-	-
	254,375	196,646
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	124,916,157	112,856,555
(b) Diluted EPS		
Basic earnings	254,375	196,646
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	124,916,157	112,856,555
Weighted average number of potential ordinary shares	704,319	336,281
	125,620,476	113,192,836

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NTA backing

9.1 Net tangible asset backing per ordinary security

Current period 30 Jun 07	Previous corresponding period 30 Jun 06
\$5.04	\$4.68

Discontinued Operations

10.1

Not applicable

Control gained over entities having material effect

11.1 Name of entity (or group of entities)

Not Applicable

11.2 Consolidated operating profit (loss) and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired

Not Applicable

11.3 Date from which such profit has been calculated

Not Applicable

11.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

Not Applicable

SIMS GROUP LIMITED

Loss of control of entities having material effect

12.1 Name of entity (or group of entities)	Not applicable
12.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Not applicable
12.3 Date to which the profit (loss) in item 12.2 has been calculated	Not applicable
12.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Not applicable
12.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	Not applicable

Dividends

13.1 Date the dividend is payable	19 October 2007
13.2 Registrable transfers received by the Company's share registrar, Computershare Investor Services Pty Limited at Level 3, 60 Carrington Street, Sydney, NSW, up to 5.00 pm if paper based, or by End of the Day if a proper SCH transfer, on 5 October 2007 will be registered before entitlements to the dividend are determined.	
13.3 If it is a final dividend, has it been determined ?	Yes

SIMS GROUP LIMITED

Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
13.4	Final dividend: Current Year	60.0¢	51%	NIL
13.5	Previous Year	60.0¢	51%	NIL
13.6	Interim dividend: Current Year	60.0¢	57%	NIL
13.7	Previous Year			
	Others	45.0¢	47%	NIL
	Hugo Neu	15.0¢	47%	NIL

Total dividend per security (interim dividend paid *plus* final declared dividend)

	Current year	Previous year
13.8 Ordinary securities held by:		
Others	120.0¢	105.0¢
Hugo Neu	120.0¢	75.0¢
13.9 Preference securities	-	-

Final dividend on all securities

	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
13.10 Ordinary securities	75,660	74,702
13.11 Preference securities	-	-
13.12 Other equity instruments	-	-
13.13 Total	75,660	74,702

The dividend plans shown below are in operation

The Sims Group Limited Dividend Reinvestment Plan, adopted by the Board of the Company on 2nd February 2006, applies to the final dividend. Shares will be issued at a 2.5% discount to the market.

The last date(s) for receipt of election notices for the dividend plans

5 October 2007

Any other disclosures in relation to dividends

Not Applicable

SIMS GROUP LIMITED

Details of aggregate share of profits (losses) of associates

Groups share of associates' and joint venture entities:	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
14.1 Operating profit (loss) from ordinary activities before income tax	7,030	4,164
14.2 Income tax expense on ordinary activities	(2,281)	(1,290)
14.3 Operating profit (loss) from ordinary activities after tax	4,749	2,874
14.4 Extraordinary items net of tax	-	-
14.5 Net profit (loss)	4,749	2,874
14.6 Adjustments	-	-
14.7 Share of net profit (loss) of associates and joint venture entities	4,749	2,874

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities:

Name of entity	Percentage of ownership interest held at end of period		Contribution to operating profit (loss) and extraordinary items after tax (<i>item 1.4</i>)	
	Current period 30 Jun 07 %	Previous corresponding period 30 Jun 06 %	Current period 30 Jun 07 A\$'000	Previous corresponding period 30 Jun 06 A\$'000
15.1 Equity accounted associates and joint venture entities				
LMS Generation Pty Ltd	50	50	1,810	1,157
Richmond Steel Recycling Limited	50	50	2,939	1,717
15.2 Total			4,749	2,874
15.3 Other material interests				
15.4 Total			-	-

SIMS GROUP LIMITED

Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security	Amount paid up per security
16.1 Ordinary securities				
Opening balance for accounting purposes	124,317,284	124,317,284		
16.2 Issued during the period				
Performance Rights	23,983	23,983	\$16.68	-
Dividend Reinvestment Plan - Oct 06	742,970	742,970	\$20.91	\$20.91
Dividend Reinvestment Plan - Apr 07	640,065	640,065	\$22.59	\$22.59
Recognised as issued for accounting purposes following repayment of associated employee loans.	127,361	127,361	\$14.99	-
	1,534,379	1,534,379		
16.3 Closing balance for accounting purposes	125,851,663	125,851,663		
16.4 Ordinary shares issued under the Employee Share Scheme deemed unissued under AIFRS for accounts presentation purposes				
Opening balance	187,164	187,164		
Employee Shares issued during the period	131,545	131,545	\$18.73	\$18.73
Recognised as issued for accounting purposes following repayment of associated employee loans.	(127,361)	(127,361)	\$14.99	\$14.99
Closing balance for accounting purposes	191,348	191,348		
16.5 Ordinary Shares per share register	126,043,011	126,043,011		
Options				
Performance Rights				
16.6 Opening Balance	149,891	-		
16.7 Granted during the current period	26,803	-		
16.8 Exercised during the current period	23,983	23,983		
16.9 Closing Balance	152,711	23,983		
Employee Shares				
16.10 Issued during current period	131,545	131,545		

SIMS GROUP LIMITED

Segment reporting

Refer Appendix 1

Basis of accounting preparation

17.1 This general purpose financial report for the financial year ended 30 June 2007 has been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The accounting policies adopted are in accordance with Australian International Financial Reporting Standards. Comparative information has been reclassified where necessary to ensure comparability with the current period.

17.2 Material factors affecting the revenues and expenses of the economic entity for the current period.

Refer press release to ASX announcing financial year results

17.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

None

17.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Based on current projections it is anticipated that dividends that may be paid next year will be partly and not fully franked.

17.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report

Refer above

17.6 Revisions in estimates of amounts reported in previous interim periods.

None

17.7 Changes in contingent liabilities or assets.

None

17.8 Events occurring after balance date

SIMS GROUP LIMITED

Annual meeting

The annual meeting will be held as follows:

Place

Hotel Inter-Continental
117 Macquarie Street, Sydney

Date

Wednesday 21 November 2007

Time

11.00 am

Approximate date the annual report will be available

21 October 2007

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

Not applicable

- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts to which one of the following applies.

The accounts have been audited. The audit report which is unqualified will be made available with the Company's financial report.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have *not* yet been audited or reviewed.

- 5 The entity has a formally constituted audit committee.



Sign here:

(Company Secretary)

Date: 31 August 2007

Print name:

F Moratti

SIMS GROUP LIMITED

PRIMARY REPORTING - GEOGRAPHICAL SEGMENTS

	Australia \$'000	North America \$'000	New Zealand \$'000	Europe \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
2007						
Sales to external customers	1,360,017	2,938,246	105,366	1,144,891	-	5,548,520
Intersegment sales	894	-	-	-	(894)	-
Total sales revenue	1,360,911	2,938,246	105,366	1,144,891	(894)	5,548,520
Share of net profits of associates	1,808	2,941	-	-	-	4,749
Other revenue / income	316	512	119	1,430	-	2,377
Total segment revenue	1,363,035	2,941,699	105,485	1,146,321	(894)	5,555,646
Segment result	148,551	160,289	10,472	60,464	-	379,776
Unallocated revenue less unallocated expenses						-
Profit before income tax						379,776
Income tax expense						(125,401)
Profit for the year						254,375
Segment and Total Assets	485,553	1,156,414	29,206	515,243	-	2,186,416
Segment and Total Liabilities	170,188	312,331	7,228	372,017	-	861,764
Investment in associates	11,358	14,030	557	-	-	25,945
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	30,683	108,345	1,614	88,331	-	228,973
Depreciation and amortisation expense	12,827	20,204	1,273	17,262	-	51,566
Impairment of goodwill	-	-	-	6,784	-	6,784
Impairment of trade receivables	(153)	64	(37)	(25)	-	(151)
Other non-cash expenses	5,152	(216)	284	7,169	-	12,389
2006						
Sales to external customers	1,145,667	1,735,204	79,033	792,503	-	3,752,407
Intersegment sales	1,273	-	-	-	(1,273)	-
Total sales revenue	1,146,940	1,735,204	79,033	792,503	(1,273)	3,752,407
Share of net profits of associates	1,350	1,524	-	-	-	2,874
Other revenue / income	931	1,106	65	-	-	2,102
Total segment revenue	1,149,221	1,737,834	79,098	792,503	(1,273)	3,757,383
Segment result	109,276	114,706	10,796	50,821	-	285,599
Unallocated revenue less unallocated expenses						-
Profit before income tax						285,599
Income tax expense						(88,953)
Profit for the year						196,646
Segment and Total Assets	376,408	1,126,863	26,092	408,476	-	1,937,839
Segment and Total Liabilities	162,920	366,795	12,763	198,576	-	741,054
Investment in associates	9,549	11,730	482	-	-	21,761
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	26,587	240,792	833	13,285	-	281,497
Depreciation and amortisation expense	12,497	14,397	1,336	13,275	-	41,505
Impairment of trade receivables	253	-	37	696	-	986
Other non-cash expenses	10,820	10,476	230	1,823	-	23,349