



Merger of Sims and Metal Management



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Metal Management, Inc.

September 2007





Agenda



Metal Management, Inc.

- Merger overview
- Strategic rationale
- The combined group
- Timetable
- Appendix: Metal Management overview



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Metal Management, Inc.

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Metal Management, Inc.

Merger overview



Merger overview



Metal Management, Inc.

Proposal

- Merger of Sims Group (Sims) and Metal Management, Inc. (Metal Management), a leading US metal recycling group listed on the New York Stock Exchange (NYSE)
- Stock for stock merger subject to Metal Management stockholder approval (and other conditions)

Exchange ratio

- Sims to issue 2.05 shares (in the form of American Depositary Receipts) per Metal Management share
- 17.4% implied premium to 5 day VWAP¹
- 13.1% implied premium to one month VWAP²
- Sims shareholders will own approximately 70% and Metal Management 30% of the merged group

Governance

- Paul Mazoudier (Chairman)
- Jeremy Sutcliffe (Executive Director)
- Ross Cunningham (Executive Director)
- Daniel Dienst (Group CEO)
- Robert Larry (Group CFO)
- Combined Board comprises seven existing Sims directors (two of whom are appointed by Mitsui) and five existing Metal Management directors

Both Boards unanimously recommend the merger

Notes:

1. Based on the Sims 5 day VWAP of \$32.41, the Metal Management 5 day VWAP of US\$48.21 and the average AUD / USD exchange rate of 0.852
2. Based on the Sims one month VWAP of \$30.48, the Metal Management one month VWAP of US\$45.91 and the average AUD/USD exchange rate of 0.831



Merger overview



Metal Management, Inc.

Name

- Sims Metal Management—to be proposed at the first AGM of the merged group

Domicile

- Sims Metal Management will remain incorporated in Australia

ADR listing

- Sims' ordinary shares will continue to be listed on ASX
- Sims will establish a NYSE listing of American Depositary Shares represented by American Depositary Receipts ('ADRs')—Sims Metal Management ADRs to be issued to Metal Management stockholders

Conditions

- Metal Management shareholder approval
- SEC registration of disclosure documents to Metal Management stockholders
- Sims shareholder approval to increase fee cap for non-executive directors to accommodate Metal Management nominees
- ADR listing approval by the NYSE
- Regulatory approvals (including HSR)
- No material adverse change in business of either party

Other

- Mutual break fee of US\$25 million
- Mitsui to retain director appointment rights subject to maintaining minimum ownership level in the combined group

- Metal Management stockholders receive 2.05 Sims Metal Management ADRs for each Metal Management share held
 - Each ADR represents one ordinary share in Sims Metal Management
 - Approximately 54 million ADRs issued
- Exchange ratio represents a premium to Metal Management of
 - 17.4% based on the 5 day VWAP¹
 - 13.1% based on the one month VWAP²
- Implied Metal Management enterprise value of US\$1.6 billion³
- Mildly accretive on a “cash” EPS⁴ basis (pre synergies) for the historical year to 30 June 2007

Notes:

1. Based on the Sims 5 day VWAP of \$32.41, the Metal Management 5 day VWAP of US\$48.21 and average AUD / USD exchange rate of 0.852
2. Based on the Sims one month VWAP of \$30.48, the Metal Management one month VWAP of US\$45.91 and average AUD / USD exchange rate of 0.831
3. Based on the Sims price of \$32.55, the Metal Management price of US\$48.86 and AUD/USD exchange rate of 0.865 as at 21 September 2007
4. Pre implementation and transaction costs and purchase accounting adjustments



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Metal Management, Inc.

Strategic rationale



Strategic rationale



- Consistent with Sims' goal to "grow its core metal recycling division while also developing an innovative recycling solutions division"
- Creates significant value for both Sims and Metal Management shareholders through both asset combination and management structure
- Sims shareholders receive exposure to the largest business in the strategically important North American market
- Unique opportunity to grow Sims' North American position following acquisition of Hugo Neu in 2005
- Metal Management stockholders receive exposure to high quality export based North American operations as well as Sims' global operations and growth opportunities in metals and other recyclables
- Meets all of Sims' strict transaction criteria

Transaction criteria

Consistent?

<p>1 Holds strong market position</p>	<ul style="list-style-type: none"> ■ Metal Management has 53 recycling facilities in 17 states ■ Combined group will be the largest metal recycler in the US 	✓
<p>2 Domestic or export marketing flexibility</p>	<ul style="list-style-type: none"> ■ Metal Management's predominantly domestic focus (with some export capacity) complements Sims' existing export focused North American business 	✓
<p>3 Platform for future growth</p>	<ul style="list-style-type: none"> ■ Creates entity to lead further growth and expansion in North America ■ New US listing created; ASX listing retained ■ Wider global growth platform for metals and other recyclables 	✓
<p>4 Strong management</p>	<ul style="list-style-type: none"> ■ Combined management team created to maximise synergy and merger benefits ■ Jeremy Sutcliffe to manage European and Australasian metal recycling operations and Global Recycling Solutions ■ Daniel Dienst to manage North American metal recycling business 	✓
<p>5 Enhances shareholder value</p>	<ul style="list-style-type: none"> ■ Mildly accretive on a "cash" EPS¹ basis (pre synergies) for the historical year to 30 June 2007 ■ Strong financial position—100% equity funding 	✓

Note:

1. Pre implementation and transaction costs and purchase accounting adjustments



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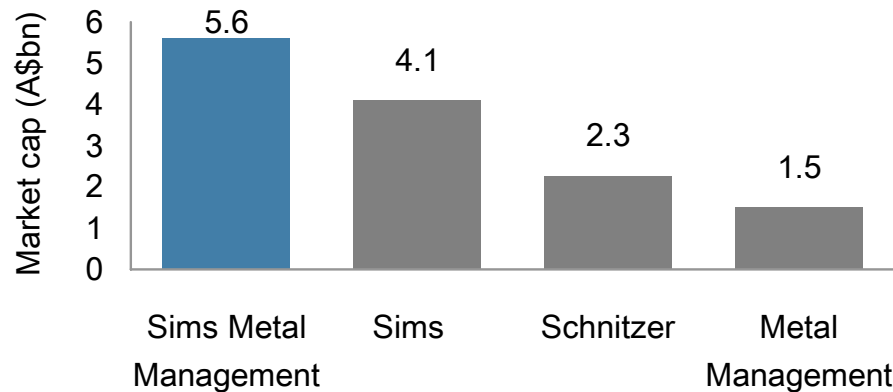


Metal Management, Inc.

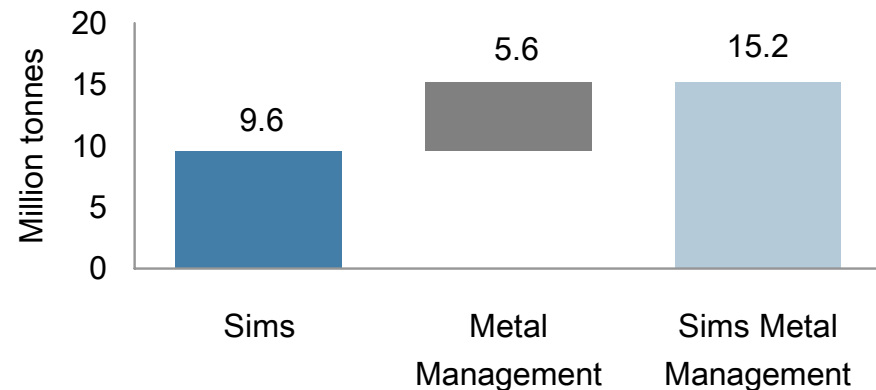
The combined group

- The combined group will be the largest listed metal recycler with an estimated market capitalisation of approximately A\$5.6 billion
- Operations at over 200 locations globally
- Strong financial profile with capacity for expansion through organic growth and acquisitions
 - Broad platform for growth in metals and other recyclables in the US and globally
 - Ability to issue Australian ordinary shares or US ADRs as acquisition consideration

Market capitalisation¹



Tonnage—FY07²



Source: Bloomberg, company disclosure

Notes:

1. Market capitalisations as at 21 September 2007. Sims and Metal Management market capitalisations adjusted for dilutionary effect of options, warrants and restricted stock outstanding. Capitalisations converted to Australian dollars at AUD / USD exchange rate of 0.865 as at 21 September 2007
2. In metric tonnes. Includes brokerage tonnes

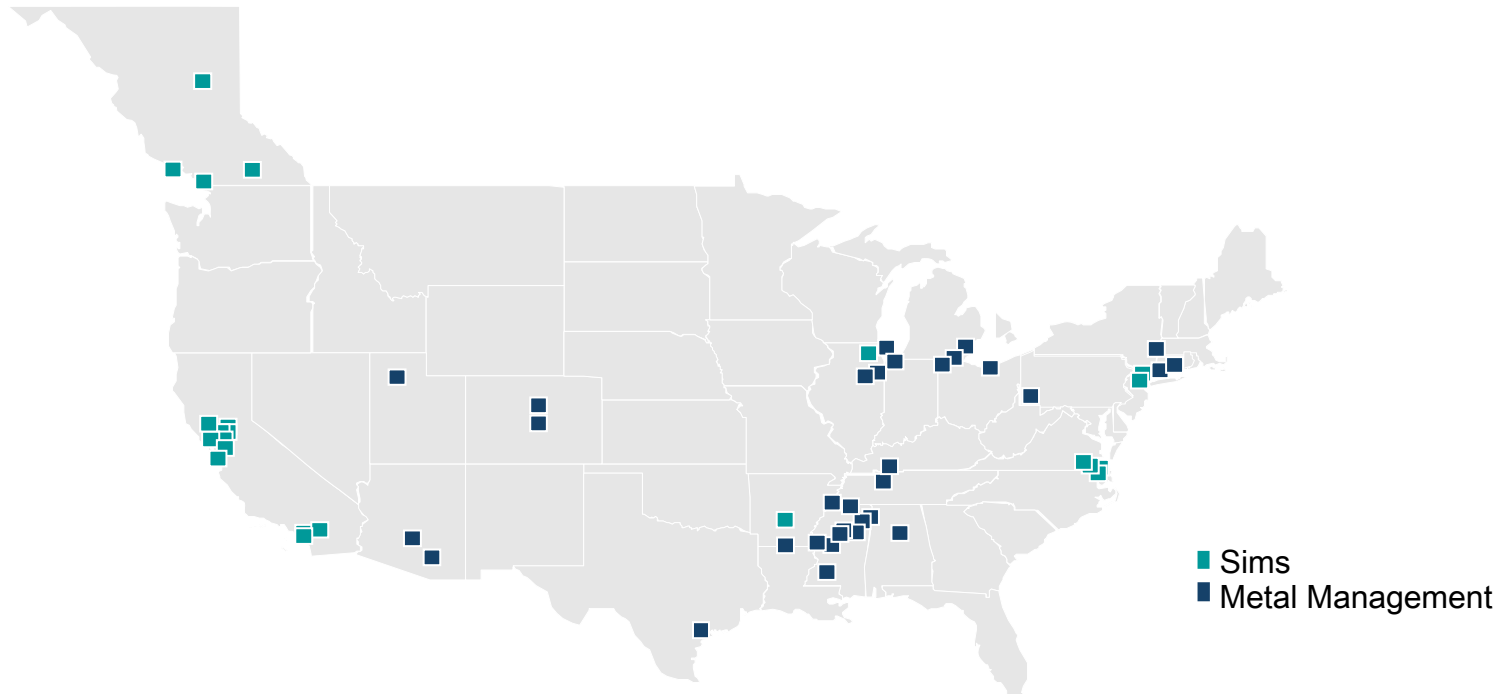


Experienced and effective management team



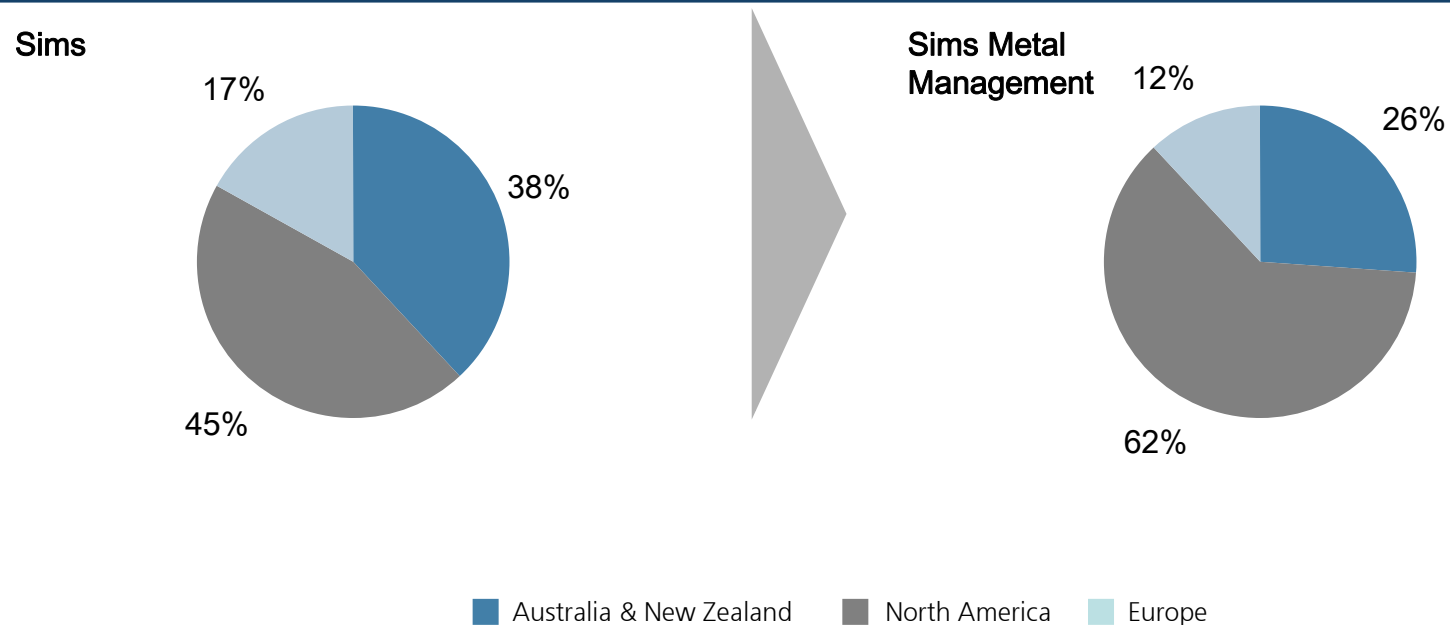
- Jeremy Sutcliffe to continue as an Executive Director reporting to the new Board until at least October 2009 and will Chair Sims' metals recycling operations in Australasia and Europe as well as Sims Recycling Solutions globally
- Daniel Dienst, the current CEO of Metal Management, will become Group CEO and will Chair the combined North American metals recycling businesses (with initial emphasis on integration and achievement of projected synergies) and have overall responsibility for global marketing
- Robert Larry to assume role as Group CFO
- Ross Cunningham to continue as an Executive Director
- Head office to be transitioned to New York (Sims' existing North American head office). Infrastructure head office to be transitioned to Chicago
- Proposed Sims Metal Management Group CEO Daniel Dienst and Group CFO Robert Larry have grown Metal Management enterprise value significantly in recent years

- The combined business will be the leader in the North American metal recycling business
- Sims Metal Management will have operations across 19 states in the US, including strong positions on the East and West coasts, the Mid-West and along the Mississippi river
- Metal Management's domestic presence complements Sims' export-focused North American business
 - The combination will allow flexibility to serve the domestic and export markets



- The merger significantly increases Sims' North American earnings
 - North American EBIT constitutes 62% of pro forma combined group EBIT

EBIT by geography

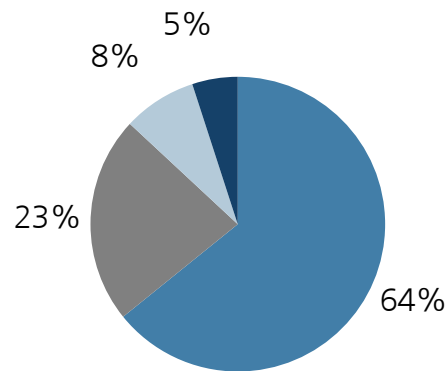


Note: Based on Sims and Metal Management reported earnings for the year to 30 June 2007. Metal Management earnings converted to Australian dollars at Sims' average AUD/USD exchange rate for the year to 30 June 2007 of 0.798. EBIT includes associate income

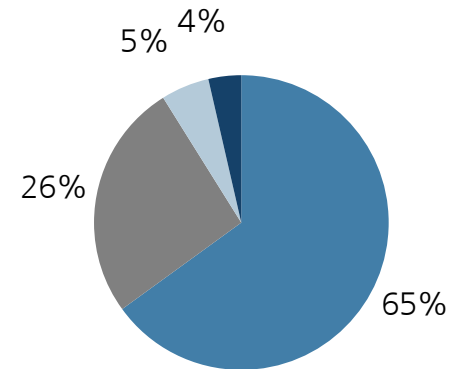
- Equivalent contribution for ferrous, but higher non ferrous contribution
- Ferrous trading footprint provides broader opportunities to roll out recycling solutions business in new geographies

Revenue by product (year to 30 June 07)

Sims Group



Sims Metal Management



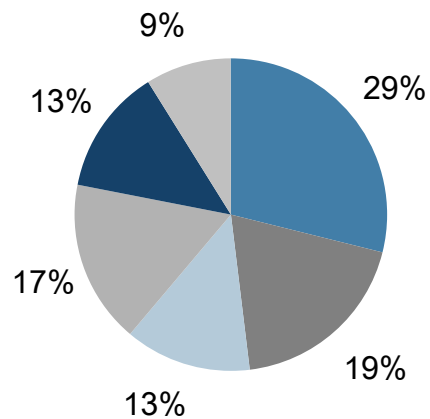
■ Ferrous trading & brokerage (inc NFSR) ■ Non-ferrous trading & brokerage
 ■ Recycling Solutions ■ Other

Note: Based on Sims and Metal Management reported earnings for the year to 30 June 2007. Metal Management earnings converted to Australian dollars at Sims' average AUD/USD exchange rate for the year to 30 June 2007 of 0.798

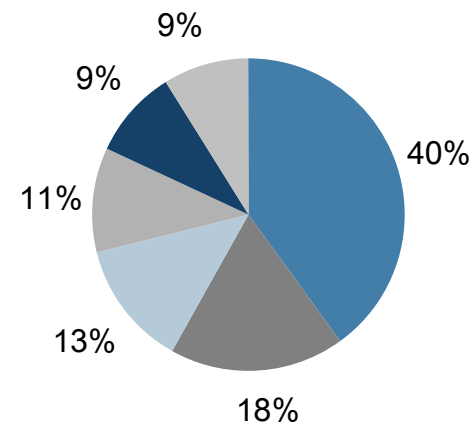
- The merger increases the portion of domestic sales, particularly in North America

Sales by destination (FY07)¹

Sims Group



Sims Metal Management



■ Domestic²
■ Europe
 ■ China & Hong Kong
 ■ SE Asia & Oceania
 ■ NE Asia
 ■ Other³

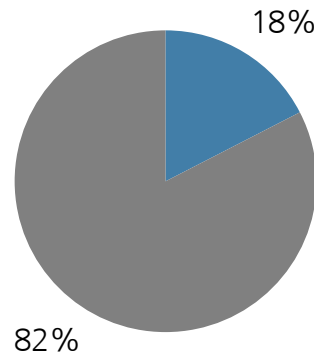
Notes:

1. Sales by destination for Sims for year end 30 June 2007 and for Metal Management for year end 31 March 2007. Metal Management sales converted at average AUD / USD exchange rate for the year to 31 March 2007 of 0.765
2. Domestic refers to sales in country of sourcing
3. "Other" includes exports into North America and the Middle East for Sims and exports to countries excluding Turkey and China for Metal Management

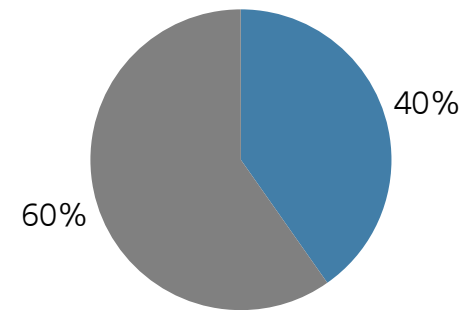
- The merger will create a greater balance between domestic sales and export sales in North America

North American revenue (FY07)¹

Sims



Sims Metal Management



■ Export ■ Domestic

Notes:

1. Sims revenue for year to 30 June 2007. Metal Management revenue for year to 31 March 2007, converted at average AUD / USD exchange rate for year to 31 March 2007 of 0.765



Extensive potential synergies identified



Metal Management, Inc.

Administration

Chartering, loading

ASR waste disposal

Corporate office

Stevedoring

Non-trade group purchasing

Export market related



Total c.US\$35 million per annum to be achieved in the first full financial year following the merger

- Mildly accretive on a “cash” EPS² basis (pre synergies) for the historical year to 30 June 2007

Financial effects based on actual FY07 financials

A\$ million, unless otherwise stated	Year to 30 Jun 2007		
	Sims	Metal Management	Sims Metal Management
Sales	5,549	2,991	8,539
EBITDA ^{1, 2}	459	225	684
EBIT ^{1, 2}	408	188	596
“Cash” NPAT ²	254	118	372
Synergies (US\$m)			c.35
Market capitalisation (A\$ billion)	4.1	1.5	5.6
Net debt ³	303	84	387

Notes:

1. EBITDA and EBIT include associate income
2. EBITDA, EBIT and “cash” NPAT and “cash” EPS are pre implementation and transaction costs and purchase accounting adjustments. Preliminary estimates of the additional annual depreciation and amortisation arising due to the Metal Management transaction from purchase accounting adjustments is approximately A\$10 million. Purchase accounting estimates will be refined prior to the lodgement of the Metal Management shareholder documentation. Metal Management EBITDA shown differs from reported EBITDA as reported EBITDA excludes one-off items and stock-based compensation
3. Excludes impact of integration and transaction costs
4. Metal Management USGAAP financials have been translated to AIFRS and converted at Sims’ average AUD / USD exchange rate for the year to 30 June 2007 of 0.798. Metal Management market capitalisation as at 21 September 2007 and net debt as at 30 June 2007 converted at AUD / USD exchange rate as at 21 September 2007 of 0.865



NYSE listing



- Sims will retain ASX listing of ordinary shares
- Under the merger, Sims will issue ADRs to Metal Management shareholders
 - 1 ADR equivalent to 1 ordinary share in Sims Metal Management
- ADRs will trade on the NYSE
 - Unique investment offering for investors
 - Provides currency for future North American acquisitions
 - Combined group will have increased scope and depth of shareholder base
 - Ability to raise capital across two markets, including in the world's most liquid market
- Sims Metal Management to be registered as a Foreign Private Issuer with the Securities and Exchange Commission
 - Registration statement to be sent to Metal Management stockholders with proxy statement
- The combined group will become subject to Sarbanes Oxley regime applicable to Foreign Private Issuers and reconcile AIFRS accounts to US GAAP



Dividend policy



- Higher earnings base from outside Australia reduces Sims' capacity to frank future dividends
- Regarding capital management, the company will evaluate the most effective means to provide returns to shareholders
 - Dividends
 - Share buy-backs
 - Other capital management alternatives
- At the outset it is contemplated that the combined group will return in the order of 45-55% of net profit after tax to shareholders
- Post completion buy-back will be contemplated based on market conditions



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Metal Management, Inc.

Timetable



Key dates



Metal Management, Inc.

Event	Date
Announcement	24/25 September 2007
Metal Management stockholder vote	Q1 CY08
Completion date	Q1 CY08
ADRs commence trading	Q1 CY08

Note: Timetable is indicative and subject to change and satisfaction of conditions precedent



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Metal Management, Inc.

Appendix—Metal Management overview



Metal Management overview



- Metal Management is one of the largest full service metal recyclers in the US
 - 53 metal recycling facilities across 17 states in the US
 - Well-established positions in many metropolitan areas including Birmingham, Chicago, Cleveland, Denver, Detroit, Hartford, Houston, Memphis, Mississippi, Newark, North Haven, Phoenix, Pittsburgh, Salt Lake City, Toledo and Tucson
- Strategic network of facilities across the US capable of serving both domestic and international customers
 - Facilities have access to railroad networks providing flexibility for shipments via ocean vessel, barge, railroad and truck
- Broad product offering
 - Ferrous products include shredded, sheared and bundled recycled metal
 - Non-ferrous products including aluminium, copper, stainless steel and other nickel bearing metals, brass, titanium and high temperature alloys
 - Provision of bulk and bulk breaking stevedoring and marine project services to importers and exporters
- Commitment to high environmental standards and health and safety

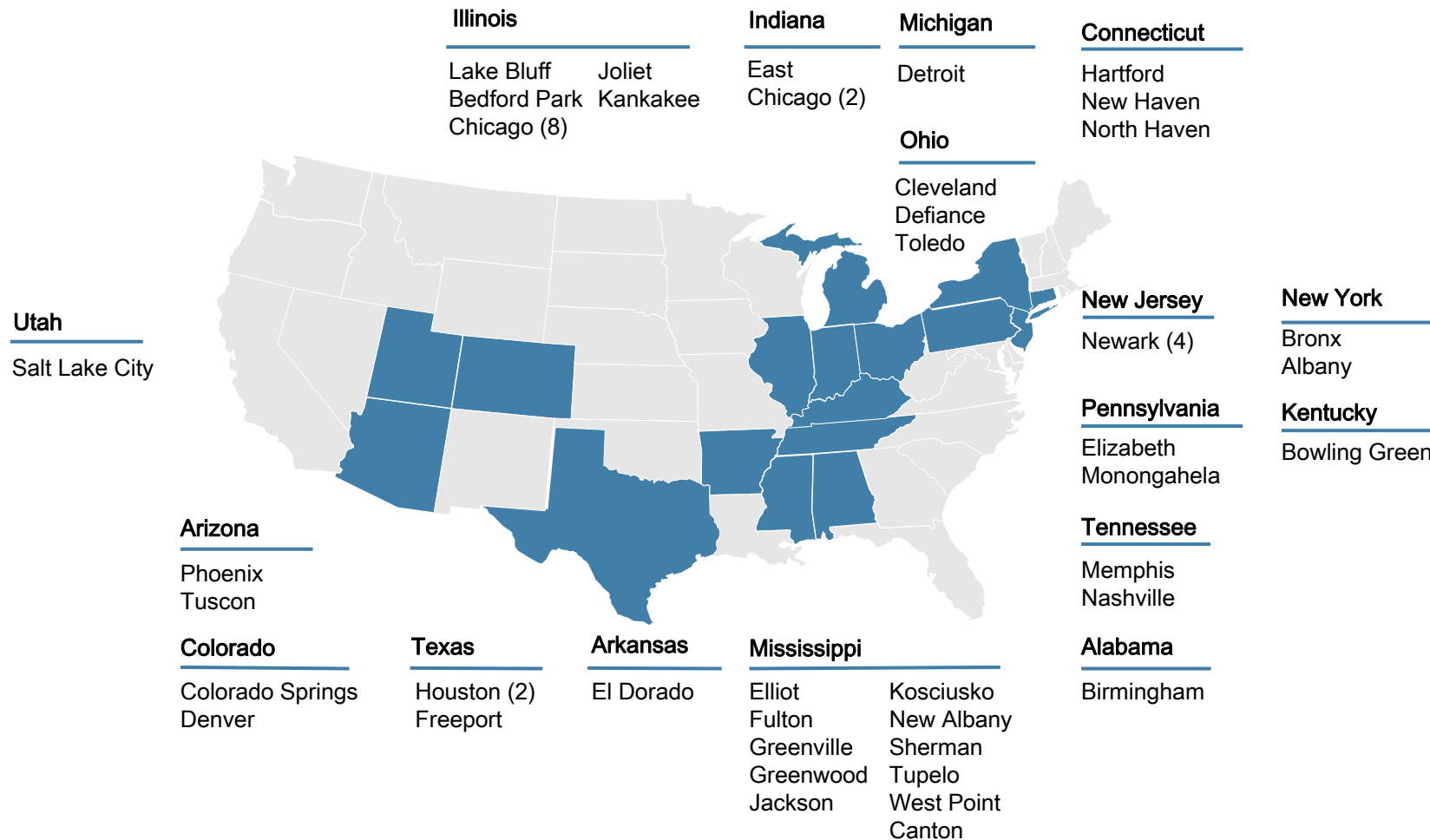


Metal Management operations



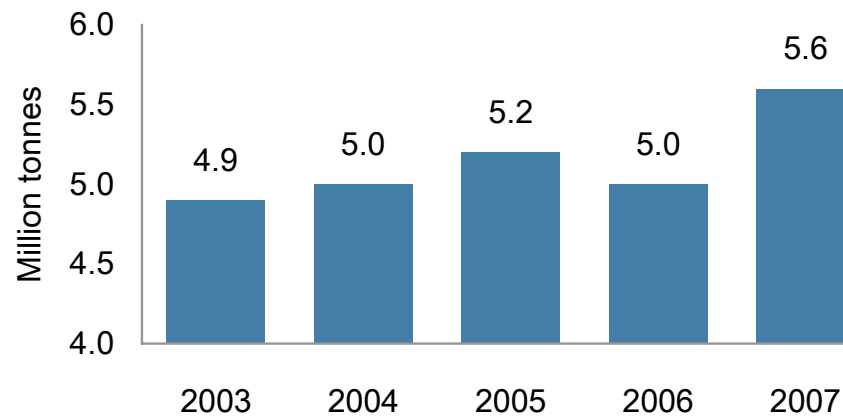
Metal Management, Inc.

- 53 operations across 17 states

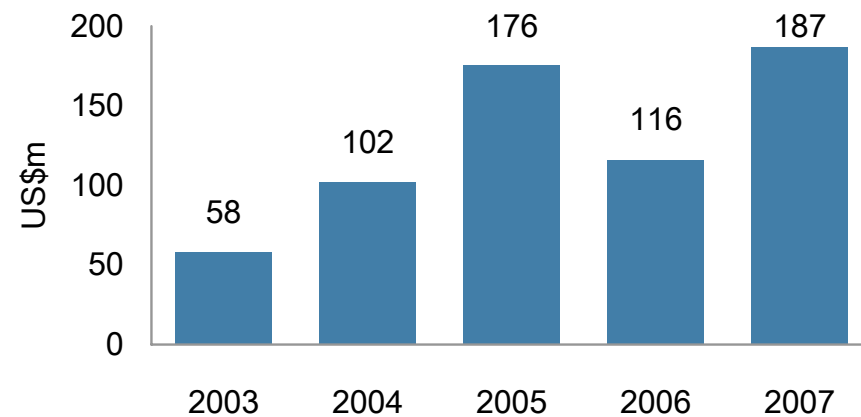


- Metal Management has delivered solid growth in volumes and profitability
- 2006 result impacted by low ferrous scrap prices, particularly in the US domestic market

Sales tonnes 2003–2007¹



EBITDA 2003–2007²



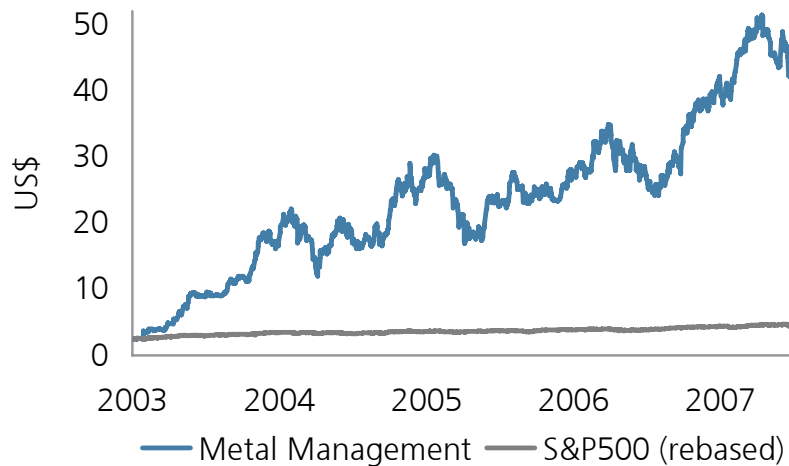
Source: Metal Management Company announcements

Notes:

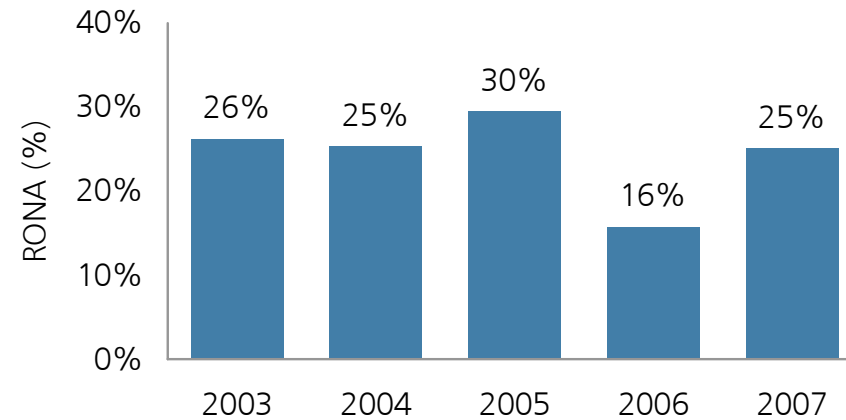
1. Metal Management sales tons for the years ending 31 March, converted to metric tonnes
2. Reported EBITDA for the years ending 31 March based on US GAAP. Includes associate income and excludes one-off gain on sale of joint venture in 2007

- Metal Management has also delivered strong returns to its shareholders

Metal Management share price performance



Metal Management return on net assets



Source: Bloomberg, Metal Management Company announcements



Growth opportunities



- National footprint provides ability to pursue regional bolt-on acquisitions
 - May 2007 acquisition of Mars Industries
 - February 2007 acquisition of TIMCO Scrap Processing
 - May 2006 acquisition of East Chicago recycling yard

- Recent capital investments in equipment and new technology including
 - Mega-shredder at Newark scheduled to be operational by October 2008
 - Nashville shredding joint venture



Environmental management and health and safety



- Metal Management has a commitment to high standards to improve the safety and health of their employees and to protect the environment
- Metal Management spends significant amounts of capital on pollution control and environmental remediation
- Sims has conducted detailed environmental due diligence on key Metal Management sites
- Metal Management's health and safety culture encourages every employee to proactively work towards safe and healthy working environments
- Subject to extensive US health, safety and environmental regulations