



Sims Metal Management Strategic Review

Galdino Claro, Group CEO
23 July 2014



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Cautionary Statements Regarding Forward-Looking Information

This presentation may contain forward-looking statements, including statements about Sims Metal Management's 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" and other similar words and expressions.

These 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 these forward-looking statements include those discussed and identified in filings we make with the Australian Securities Exchange and the United States Securities and Exchange Commission ("SEC"), including the risk factors described in the Company's Annual Report on Form 20-F, which we filed with the SEC on 16 October 2013.

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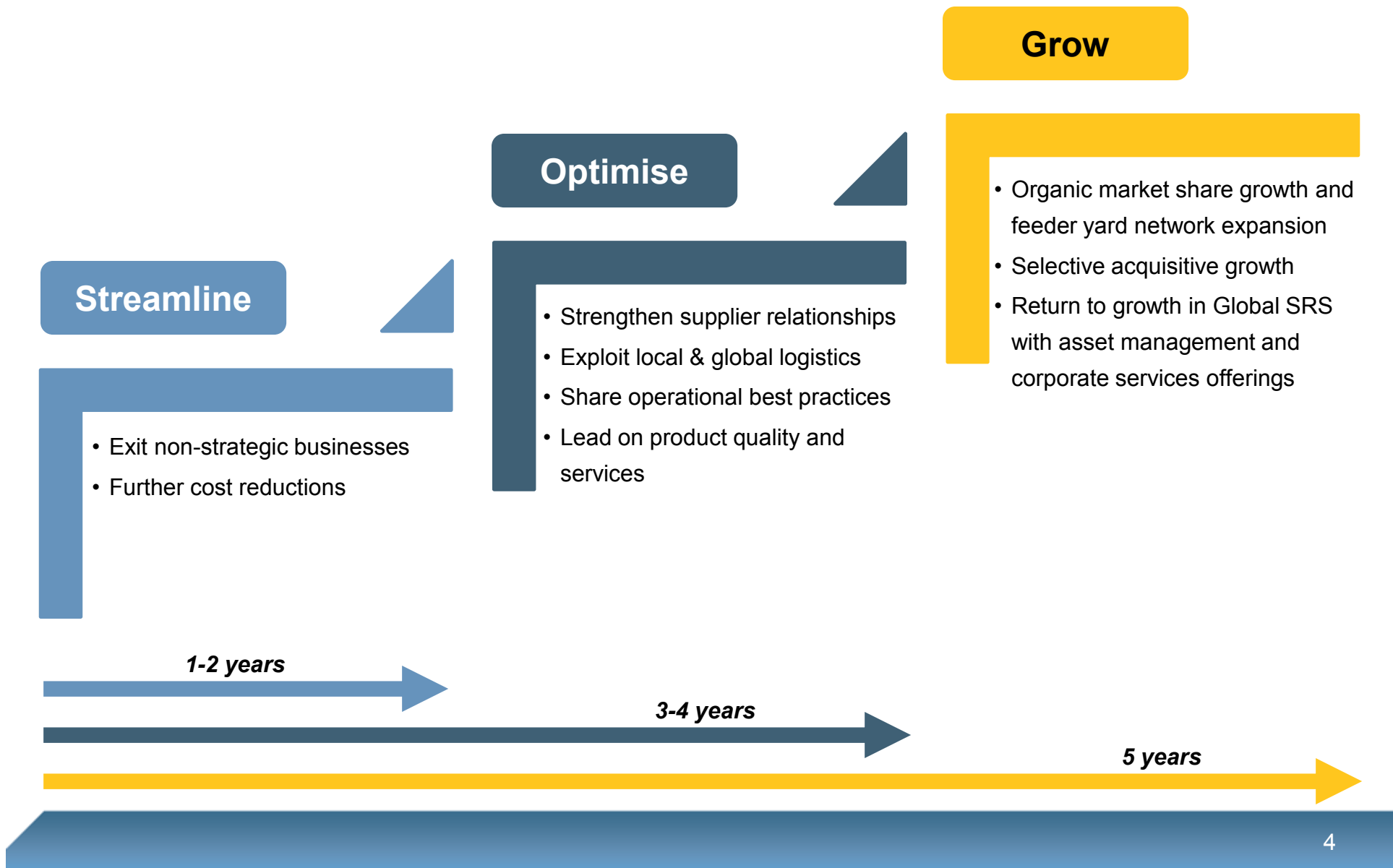
All subsequent written and oral forward-looking statements concerning the matters addressed in this presentation and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this release. Except to the extent 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 release.

All references to currencies, unless otherwise stated, reflect measures in Australian dollars.

Agenda

- **Strategy Overview**
- Streamline
- Optimise
 - Metals Recycling
 - Electronics Recycling (SRS)
- Grow
- Summary

A clear five-year strategic plan



Ambitious & realistic earnings growth pathway

5 year plan to grow EBIT over 350% through internal initiatives alone

Streamline

- Return to core strengths

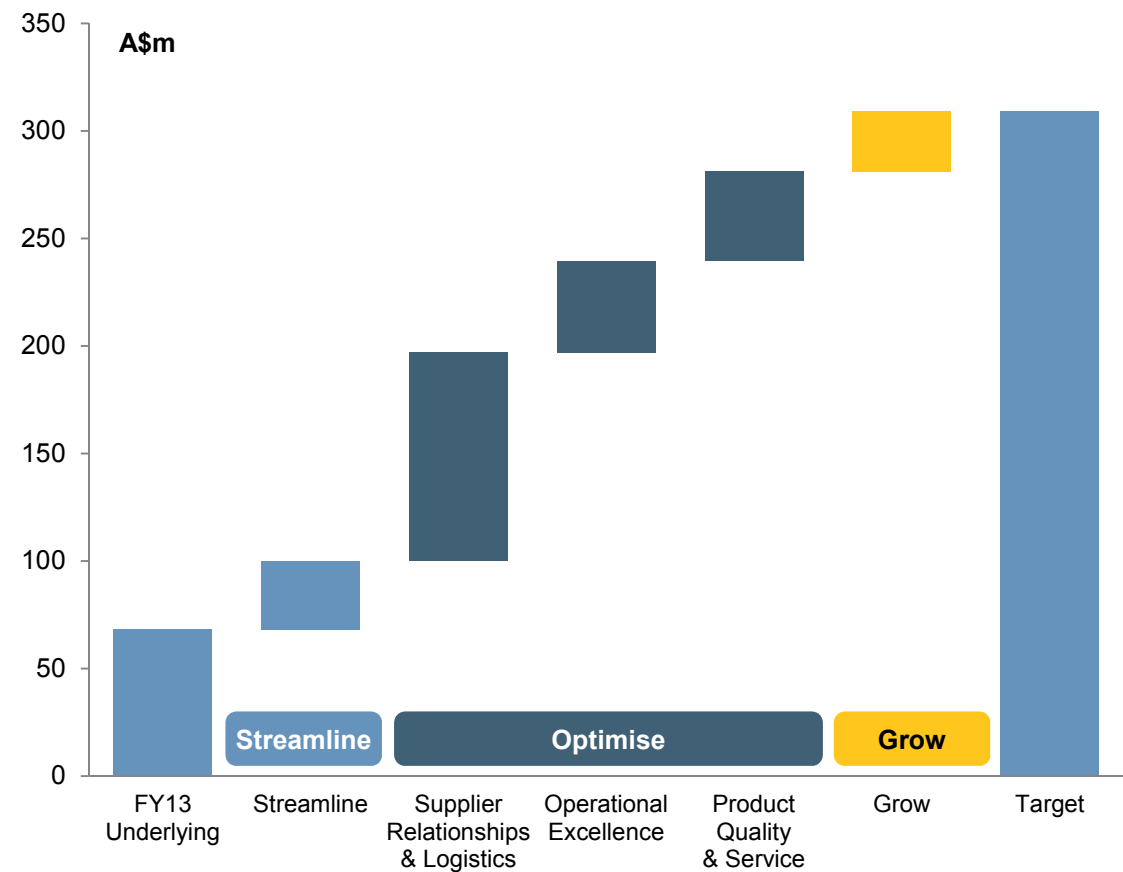
Optimise

- Realign to core drivers of profitability

Grow

- Primary focus on organic growth
- Growth through acquisition not included in the plan

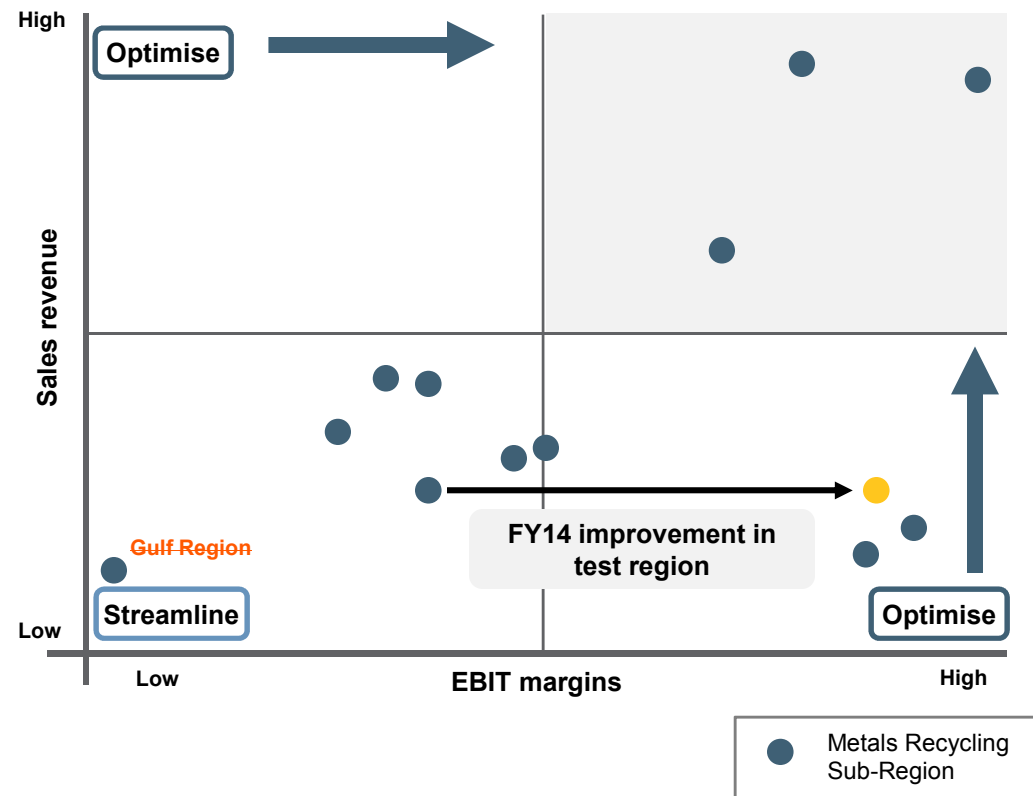
EBIT Growth Pathway



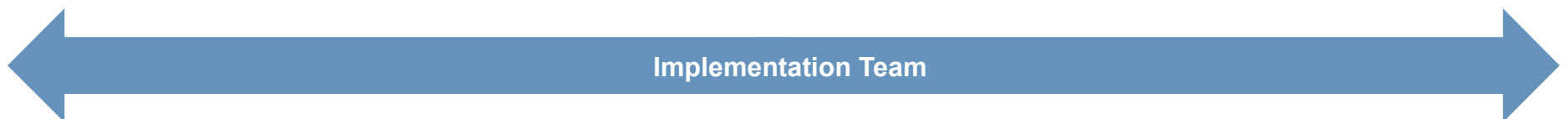
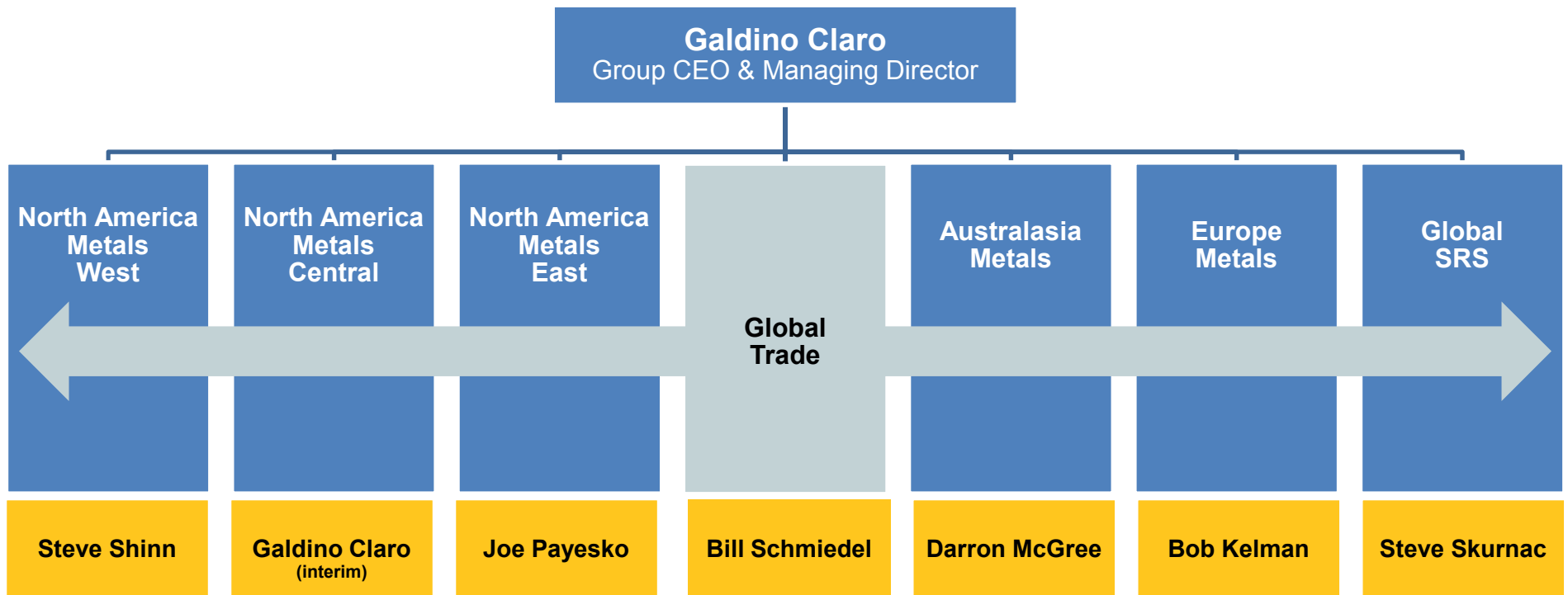
And initial results have been encouraging

Initial results in test region tripled margins during FY14

- Wide disparities in profitability across global Metals Recycling operations
- Exited businesses outside the long-term interests of the Company
- Focusing on core drivers of profitability from supplier relationships, logistics, processing efficiency, and product quality
- Initial results have been very positive
- Optimisation strategies implemented in a North American test region led to 3x higher margins during FY14



Experienced team aligned for delivery



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Streamlining the Business

**Streamlining expected to deliver annual benefits of A\$32m
50% to be realised in FY15, and 100% in FY16**

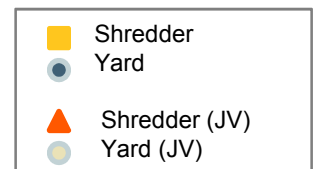
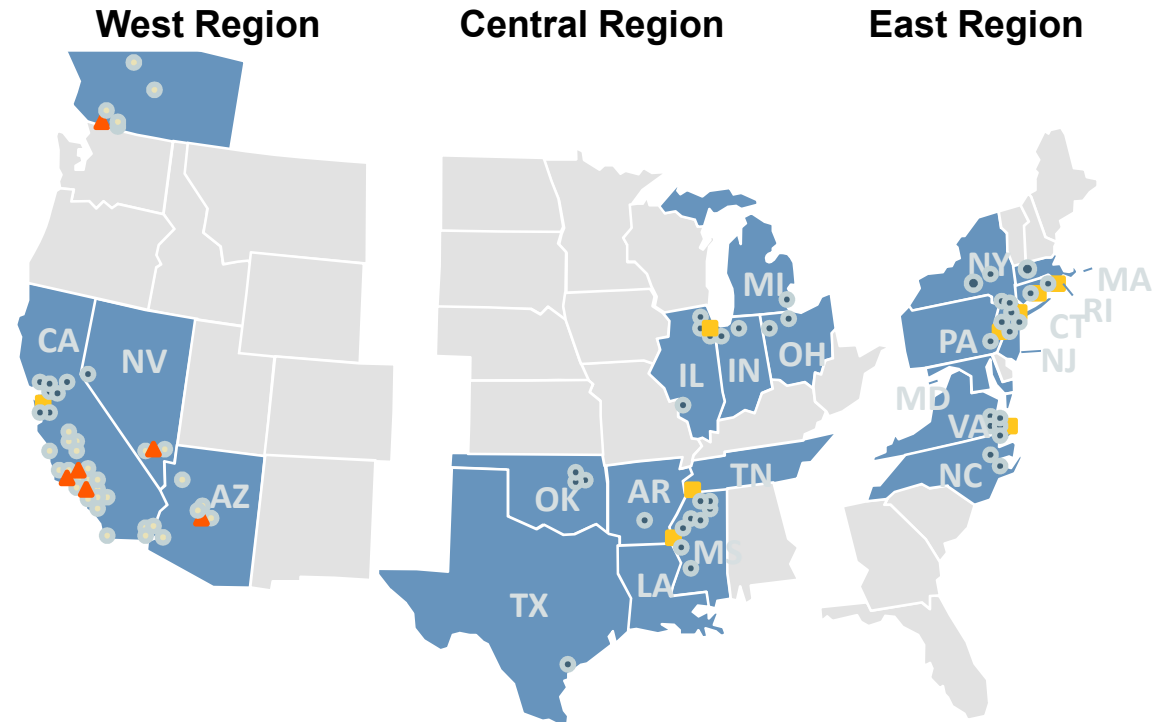
Business	Actions	Annual Benefit EBIT (A\$m)
North America Metals	- Consolidating 7 operating regions to 3 (West, Central, and East) - North America Metals overhead cost reductions - Divested Utah based non-core facilities - Idled Mobile, AL based Gulf region facilities	\$11
Global SRS	Europe: Exit non-core UK-based loss making operations North America: Exit from SRS Canada operations Consolidate facilities of Edison, NJ and Dallas, TX with other sites	\$20
Corporate	- CFO relocation from Chicago to New York head office - Consolidate remainder of Chicago back office with West Chicago	\$1
Total		\$32

* See appendix for related restructuring charges

North America Metals: Lower overhead and increased operational focus



- 7 sub-regions consolidated into 3
- Reducing regional overhead costs
- Allocating capital to most profitable and sustainable operations
- Divesting non-core facilities where a competitive advantage through scale or alignment to global trading relationships cannot be achieved
 - Sold Utah assets in May 2014
 - Mobile, AL based facilities held for sale



North America Metals: Re-aligning to address unique regional conditions

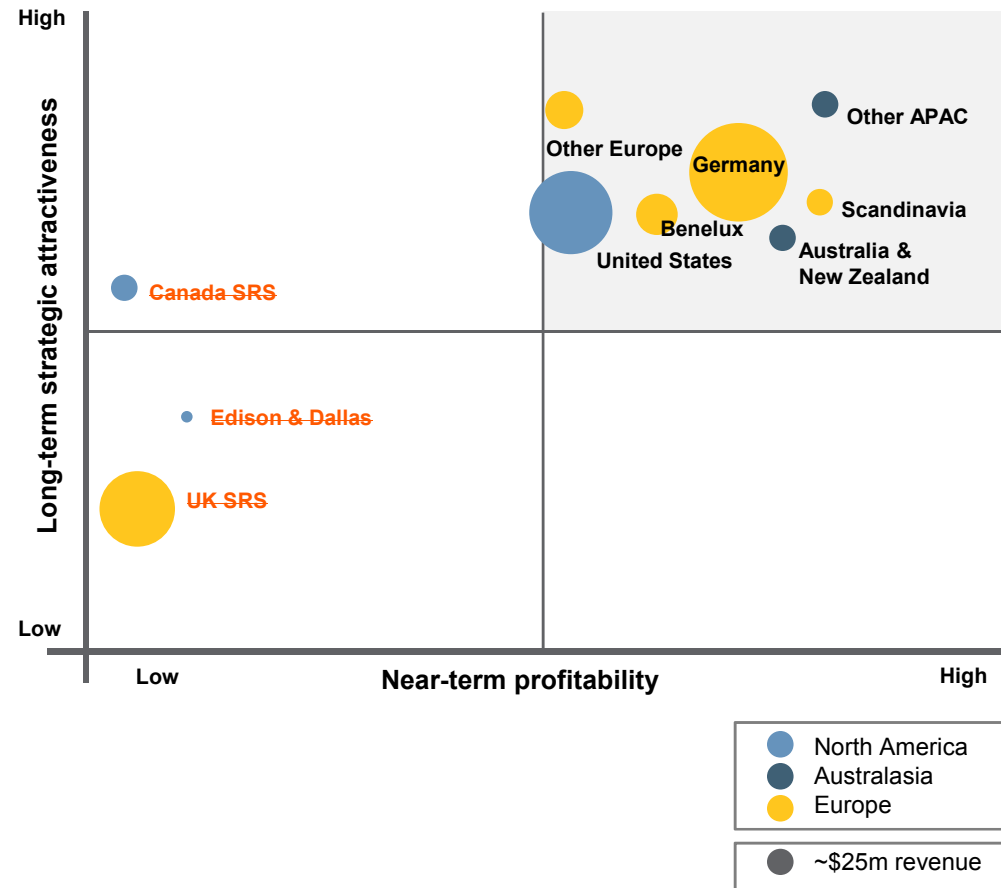


West Region	Central Region	East Region
66 facilities 8 shredders 4 deep water docks	27 facilities 3 shredders 6 brown water docks	33 facilities 6 shredders 7 deep water docks
(including JV's)		
Regional Profile - Low cost container exports - Longer-term outlook in China	Regional Profile - Vertical integration of steel mills - DRI consumption	Regional Profile Well placed deep sea export docks
Regional Strategy - Maximise bulk cargo utilisation and container loading optionality - Explore opportunities for offshore processing of scrap in end-markets	Regional Strategy - Break the industry's traditional adversarial relationship with domestic steel mills and build meaningful partnerships - Develop products and services to suit requirements of domestic mills	Regional Strategy - Maximise competitive advantage of current well positioned operations - Reinforce feeder yards network and supplier partnerships

Electronics Recycling (SRS): Footprint streamlined to core profitable operations



- Exited non-strategic and loss making facilities in FY14 and consolidated sites
- Remaining portfolio of businesses achieve higher margins with greater competitive advantages
- No significant additional restructuring charges anticipated after FY14
- **Europe:**
 - Exited loss making UK-based operations
- **North America:**
 - Exited loss making Canada SRS operations
 - Exited small scale feeder yards in Edison, NJ and Dallas, TX



Electronics Recycling (SRS): Portfolio streamlined into two primary business lines



Asset Management

- B2B focused business with global footprint and best in class operating certifications
- Services include managing the reuse or final disposition of retired company IT assets

WEEE Recycling

- Working with municipalities, compliance schemes, and equipment producers to ensure the efficient and ethical disposal of end of life electronics and small domestic appliances

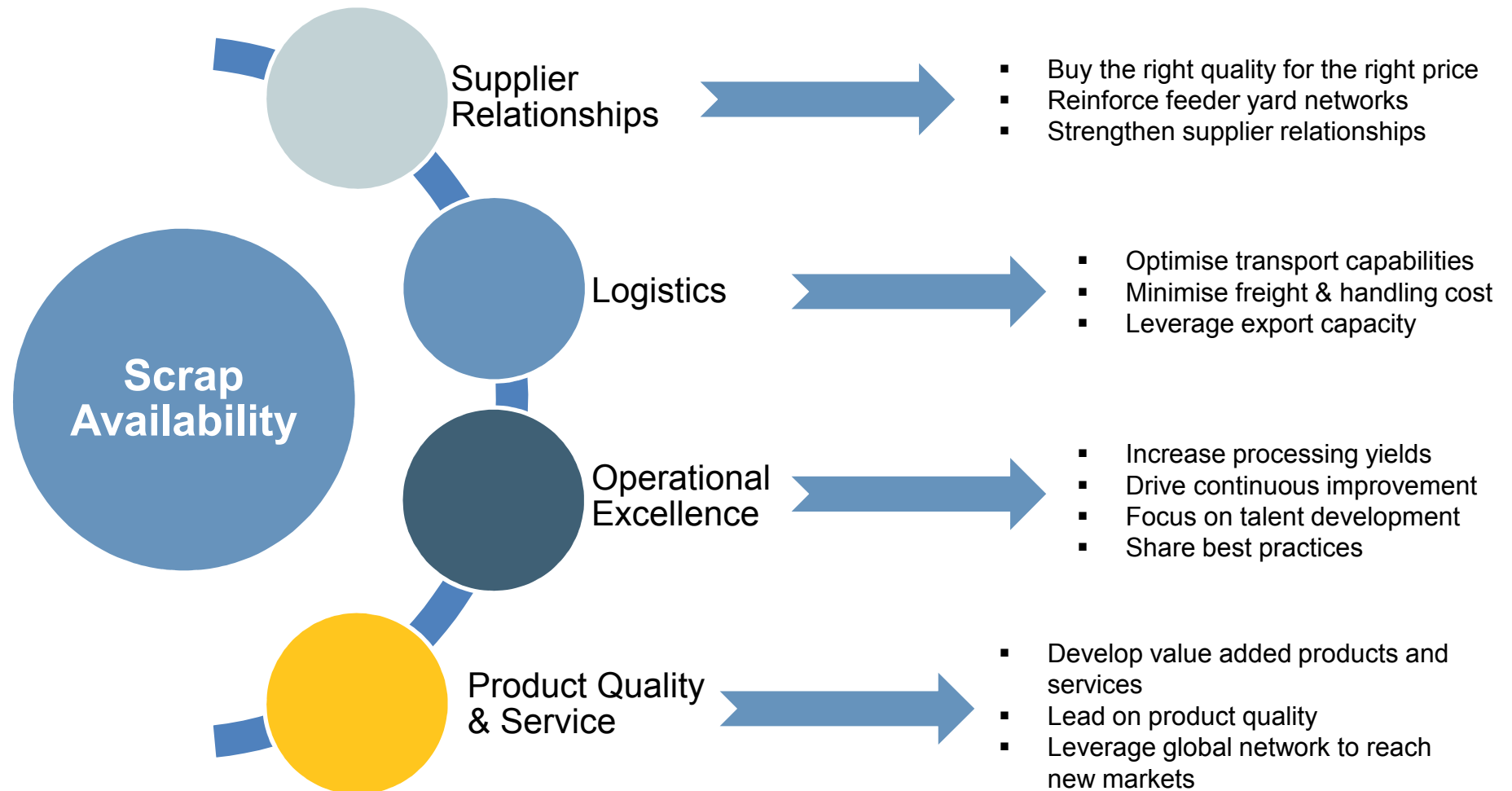
	Asset Management	WEEE Recycling	Other
North America			
United States	✓	✓	✓
Canada	✗	✗	✗
Australasia			
Australia	✓	✓	
New Zealand	✓	✓	
India	✓	✓	
Singapore	✓	✓	
Dubai	✓	✓	
South Africa	✓	✓	
Europe			
United Kingdom	✓	✗	✗
Belgium	✓	✓	
The Netherlands	✓	✓	
Germany	✓	✓	
Sweden	✓	✓	
Austria	✓	✓	
Poland	✓		
Czech Republic	✓		

✗ Exited in FY14
✓ Strategic Business

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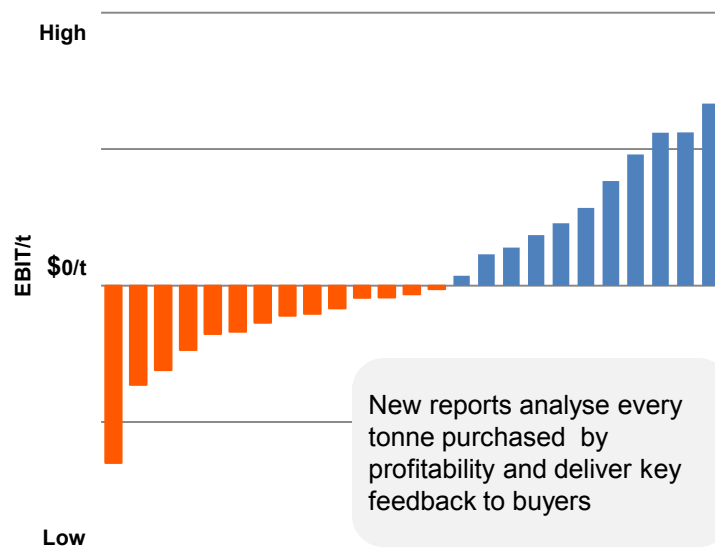
Metals Recycling: Optimising the core drivers of profitability



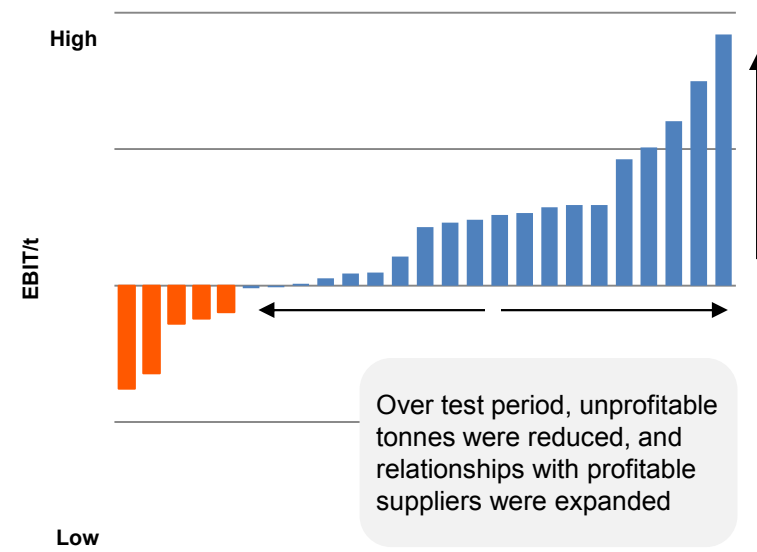
Supplier Relationships: Buying the right quality for the right price

Case Study: Profitability reporting by supplier introduced in test region achieved impressive results...

**Test Region: Top 25 Suppliers
July 2013**



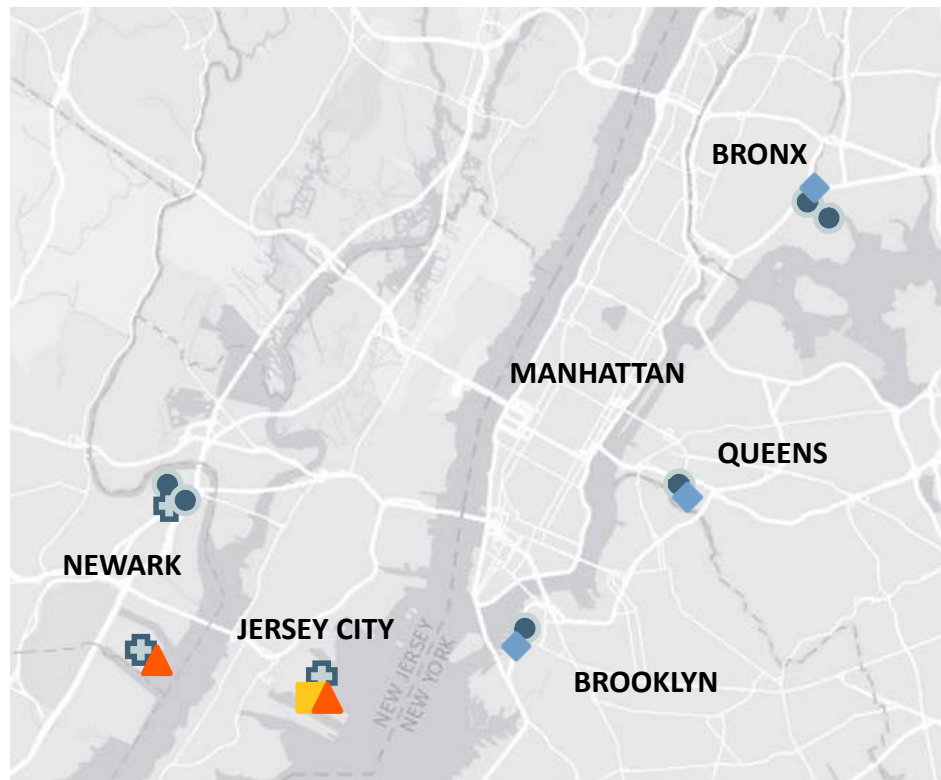
**Test Region: Top 25 Suppliers
May 2014**



Higher EBIT/t without sacrificing volumes

Logistics: Maximising transport capabilities

Case Study: New York / New Jersey Metro Area



- Shredder
- Yard
- Deep Water Dock
- Barge Access
- Rail Access

- Large scale Jersey City facility supported by network of 9 feeder yards
- Strategically located yards with barge or rail access to facilitate low cost transport
- 2 deep water docks provide sales flexibility

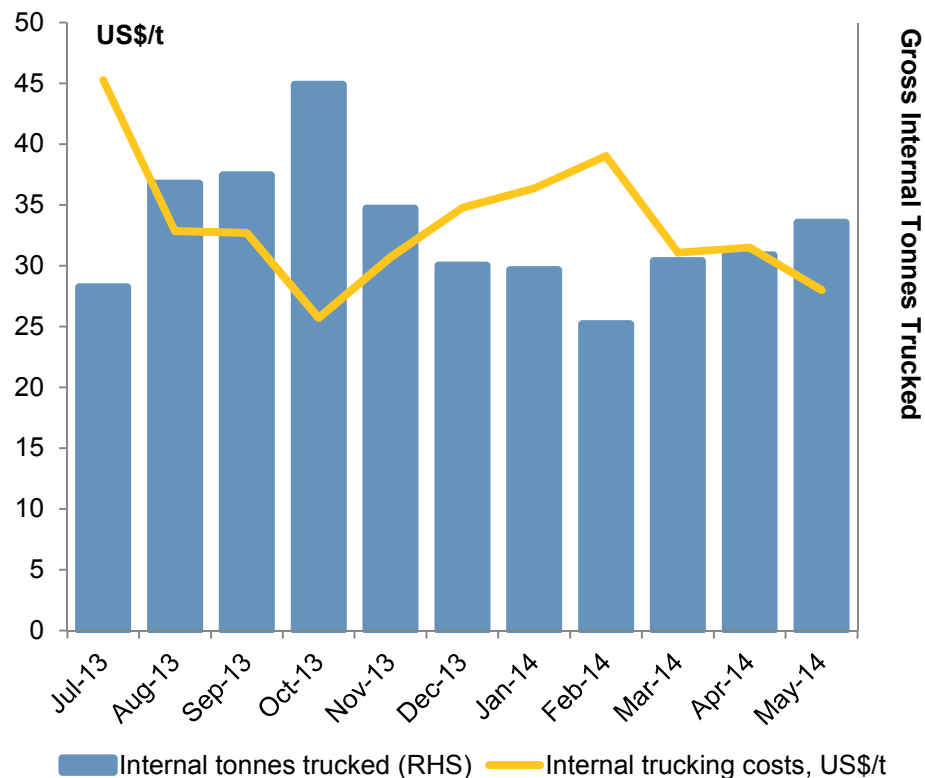
- Well engineered network of suppliers and feeder-yards required to ensure the natural flow of material is steered towards our facilities
- Having both export and domestic market flexibility is increasingly important, making both deep water docks, as well as domestic facing rail, truck, and barge capabilities, critical
- Efficient logistics:
 - ✓ Lower inbound transport costs
 - ✓ Increase supplier accessibility appeal
 - ✓ Lower waste disposal costs
 - ✓ Increase inventory turnover via faster loading and processing speeds

Logistics: Leveraging new reporting tools to lower freight costs



**Freight expenses for the Group was A\$560 million in FY13,
equal to 8% of total sales revenue**

North America Metals inbound trucking costs



Case Study: North America Metals, trucking costs

- Efficient management of inbound transport is critical to lower costs and ensure profitable acquisition of raw material feedstock
- North America Metals is currently implementing new reporting tools to drive greater transparency and accountability into logistics cost management
- Improvements beginning to be realised through better utilisation of assets, greater load densification, and increased backhaul transport

Operational Excellence: Driving continuous improvement & lifting yields



We are focused on bringing best practices to all our 250 facilities around the world



- Kwinana will be our largest operation in Australasia
- Replaces current footprint constrained operations running outdated equipment
- Shredder expected to be operational during 2H FY15

Case Study: Kwinana, Western Australia

- Kwinana is the final stage of our shredder replacement program and off-line downstream plant installations in Australia
- All States have now expanded processing capacity with the most up to date metals recovery technology available
- Optimising downstream non-ferrous separation technologies is an essential and significant margin contributor
- Ensuring processing capacity is optimised both raises margins and lifts competitive advantages

Operational Excellence: Focused on talent development and retention



Case Study: Australasia cadet / graduate program

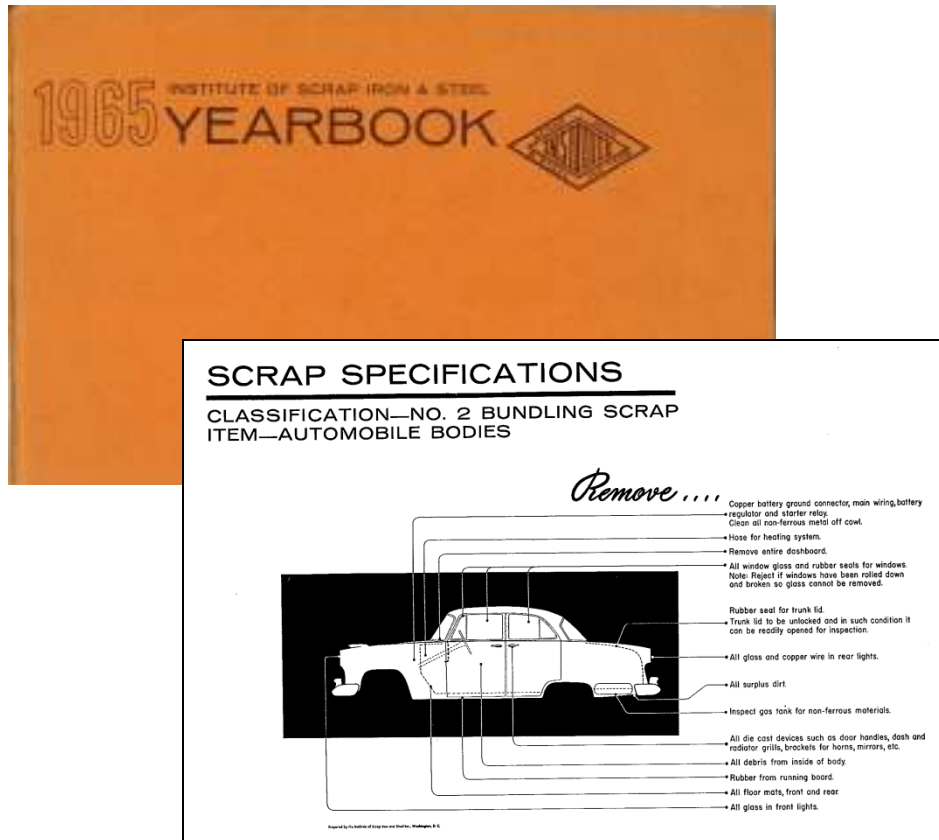


People & Culture

- Attracting, developing, and retaining talented staff is critical for long-term success
- Talent development, from cadets to managers, is our most sustainable competitive differentiation
- Of current Middle/Senior Management ranks, 13 came from the cadet/graduate program
- The current program has 14 participants across Australasia

Product Quality & Service: Developing new value added products

Industry specifications need to adapt to customer needs



- Ferrous scrap product specifications have not materially changed for over 60 years
- Steel making industry had evolved requiring new targeted products
- Each steel mill has specific ferrous scrap requirements
- Sims is uniquely positioned to bring change to the industry, and cultivate our relationships with our customers to provide the products they need

Product Quality & Service: Taking the lead on product quality

Ferrous Scrap Types



Heavy Melt Steel (HMS)



Shredded



Busheling



Plate & Structural

Product Quality & Service: Our scale provides flexibility to service all customers



Both bulk shipping needs...



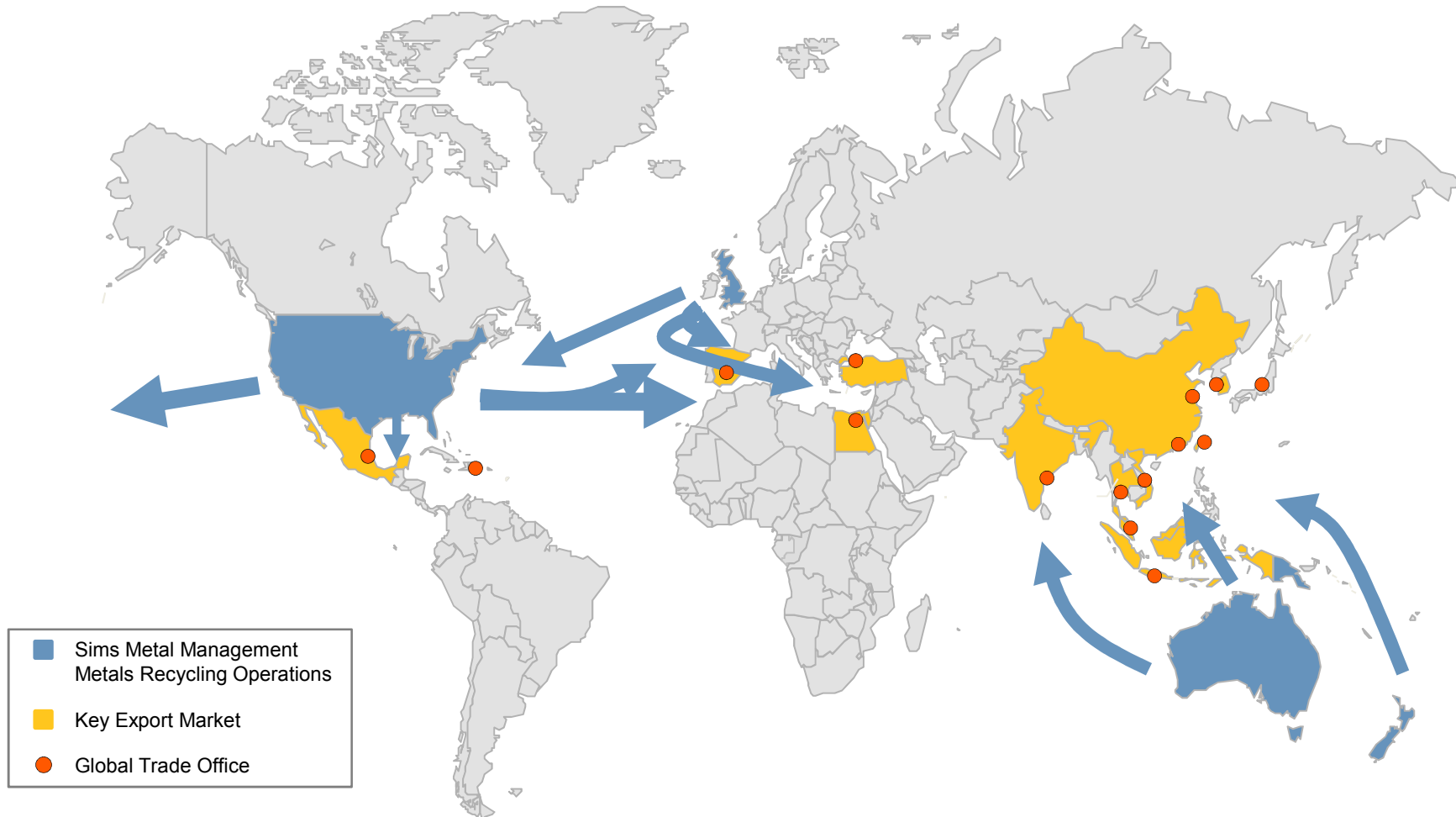
...or containerised



Product Quality & Service: Leveraging global network to reach new markets



Global supply and customer network



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Electronics Recycling (SRS): Reset to address changed competitive landscape



Past

Industry Timeline

1990-2000

- B2B focused industry with metal rich material & healthy margins

2002

- WEEE¹ Directive in EU stimulates more volumes, but lower quality

2002-2010

- 'Producer Compliance Schemes' form, which stimulate higher competition and lower margins

2005-2010

- High volume expectations led to WEEE processing overcapacity

2008-2012

- SRS invests in emerging technologies including CRT processing and plastics recovery

Present

SRS Streamline

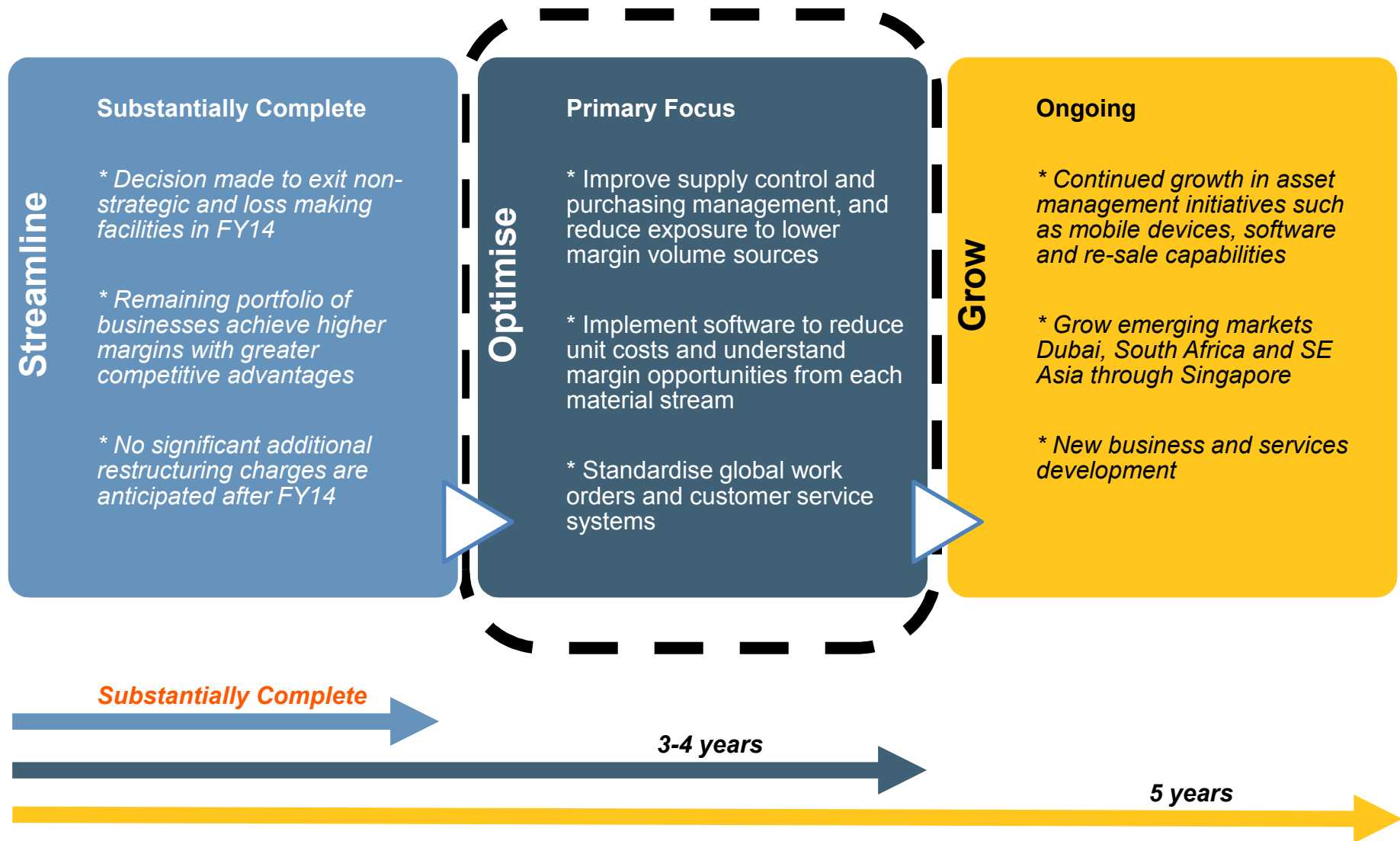
- Mega-plant strategy is over
- Non-strategic technologies exited
- Underperforming businesses in hypercompetitive regions exited
- Remaining operations are profitable and in supportive legislative environments
- WEEE processing footprint has been right-sized for market conditions

Future

- Integrate global network of acquired operations with standardised production systems and customer service work flows
- Grow Asset Management business servicing used equipment recovery for global corporate clients and equipment refurbishment and resale

¹ "Waste Electrical and Electronic Equipment"

Electronics Recycling (SRS): A clear plan for earnings recovery and growth



Electronics Recycling (SRS): Leveraging customer relationships



Case Study: Using mobile data destruction to grow revenues with less capital intensity



- We expect value-added services to become a significant component of future revenue and EBIT
- Data security is an increasing priority of our large and small corporate clients
- Our fleet of vehicles in the US and UK are fitted with hard drive and other data storage destruction capabilities, under client supervision
- Client peace of mind that data is being destroyed and the materials are being recycled responsibly
- Service fee, plus materials recovery revenue
- Leverages client base to create additional opportunities to provide new services

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Attractive opportunities for growth: Metals Recycling



Organic growth in existing core markets

- Strategic feeder yard expansion to secure volumes and improve source control
- Strengthen supplier relationships to lift regional market share

Operational footprint enhancements

- Investigate asset swaps and joint ventures where commercial opportunities are available and attractive

New market development

- Asia: Retain longer-term options for a physical presence in China and East Asia
- Europe: Explore potential to better service Continental European market

Attractive opportunities for growth: Electronics Recycling (SRS)



Continue growth in Asset Management

- Leverage global footprint with international client base
- Grow services and revenue sharing as a portion of total SRS revenues
- Expand mobile device repair, re-use, and re-sale

Grow emerging markets Dubai, South Africa and SE Asia through Singapore

- Strong demand for e-recycling services from Western firms in emerging market economies

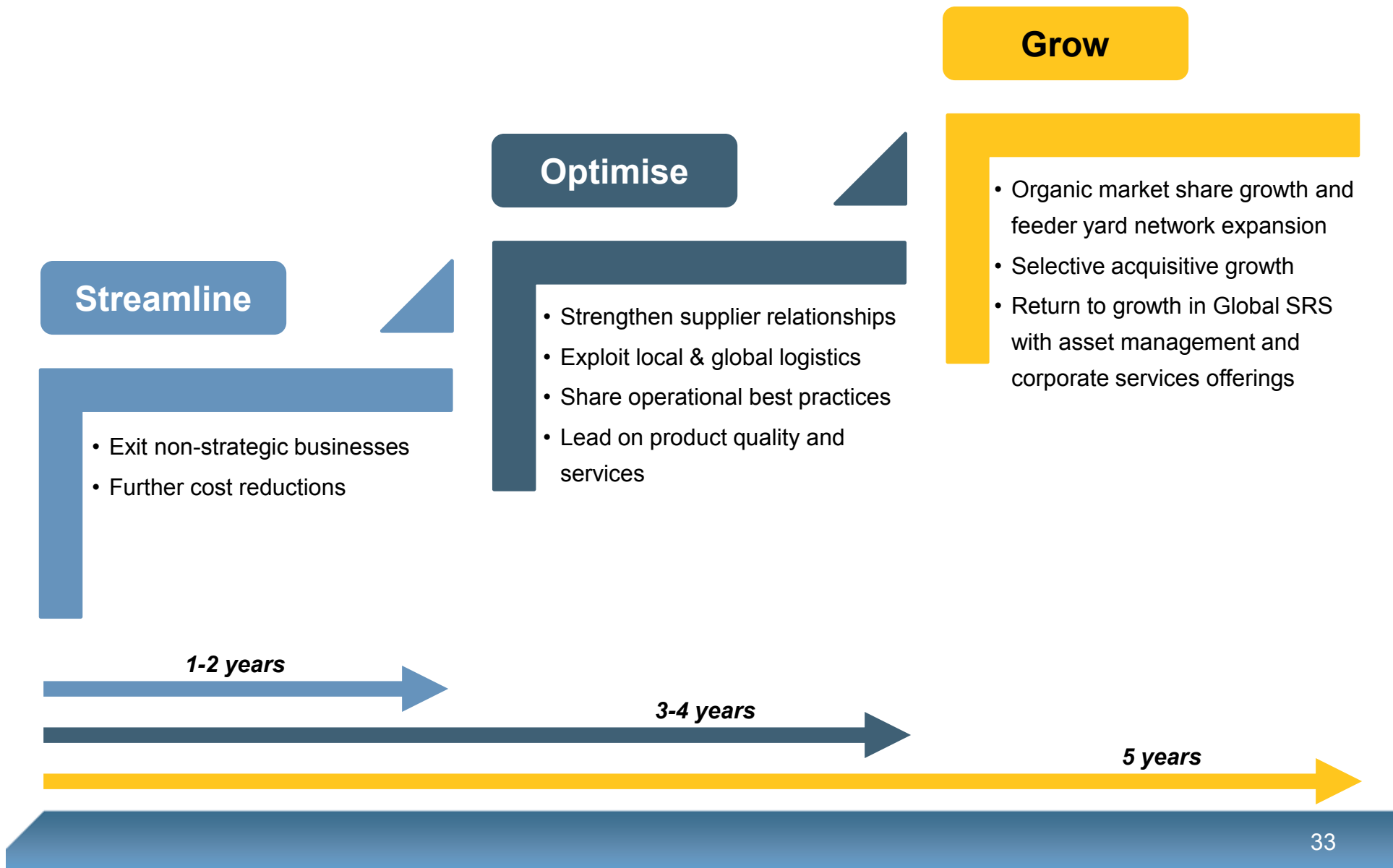
New business and services development

- Secure data destruction for server farms and data storage firms
- Mobile data destruction services
- On-site asset management capabilities

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Strategic Review Appendix

July 23, 2014



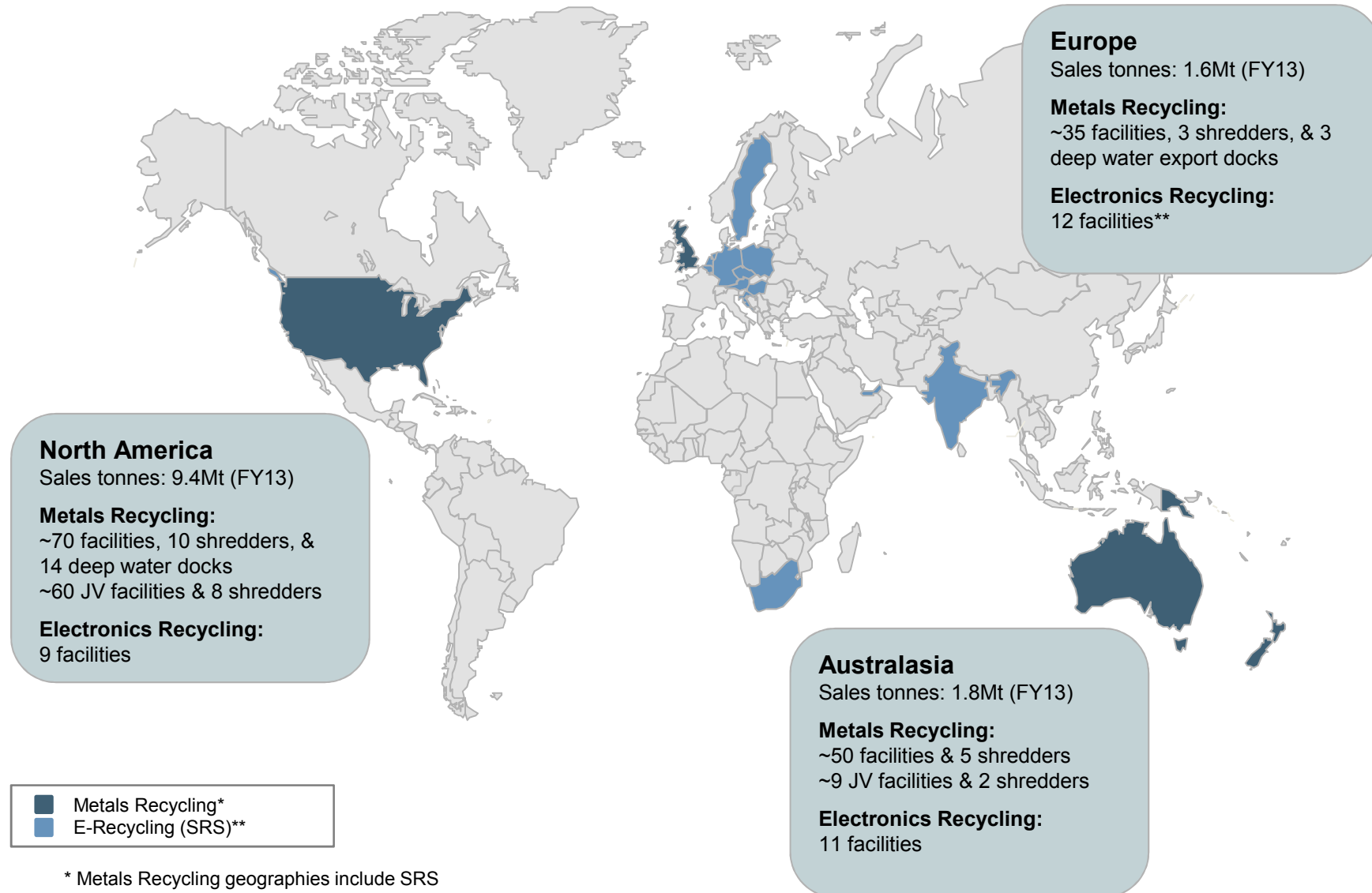
Restructuring Charges¹

- Strategic review has identified a number of non-core and under-performing operations outside the Company's strategic long-term interests
- Impairments and restructuring costs from these actions result in total pre-tax significant items of \$80 to \$85 million to be realised in FY14
- The non-cash portion is circa \$35 million and relates primarily to fixed asset impairment

Region	Actions	Estimated Impairment (\$Am)
North America	Metals Recycling ▪ Write-down of Gulf Region Sims Recycling Solutions ▪ Exit of loss making Canada SRS operations ▪ Site closures at Edison, NJ and Dallas, TX	\$24-27
Europe	Sims Recycling Solutions ▪ Exit of loss making UK-based operations	\$56-58
FY14 Pre-Tax Total		\$80-85
FY14 After-Tax Total		\$80-85

¹ These restructuring charges were originally announced on 24 June 2014 to the ASX. This announcement included an anticipated goodwill impairment of \$20 to \$30 million in FY14, in addition to the \$80 to \$85 million in restructuring charges

Global Recycling Operations



* Metals Recycling geographies include SRS

** Number of facilities post UK & Canada SRS restructure