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12 November 2015

The Manager
Announcements
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

**Sims Metal Management Limited (Company)
Chairman's and CEO's Address to Shareholders and Trading Update**

Attached is a copy of the Chairman's and CEO's Address to Shareholders which will be presented at the Company's 2015 Annual General Meeting to be held today.

Included in the CEO's Address is a Trading Update.

Yours sincerely

A handwritten signature in black ink, appearing to read 'F. Moratti'.

Frank Moratti
Company Secretary



ASX & MEDIA RELEASE

(ASX:SGM, USOTC:SMSMY)

12 November 2015

**Annual General Meeting 2015
Chairman's Address**

Ladies and Gentlemen,

Introduction

Welcome and thank you for attending the Sims Metal Management 2015 Annual General Meeting which, for the first time in our Company's history, is being held in Perth to coincide with the opening of our new, world-class metal recycling facility and metal shredder at Kwinana Beach.

In the 2015 financial year, the Company achieved an underlying net profit after tax of \$102 million, which was a 17% increase over the prior year. It is important to note that this improved result was achieved while still facing challenging conditions across the metals recycling industry.

The Company's ability to deliver earnings growth in an environment of falling commodity prices and contracting volume demonstrates that the five-year strategic plan put in place in 2013, is delivering improved performance.

The gains being realised across the Company from the new strategy, has extended further than financial performance alone. The emerging culture of the Company is characterised by resilience in the face of challenging markets and by a zero tolerance to any breach of ethical principles. I am particularly pleased to report that fiscal 2015 saw a meaningful improvement in safety, waste reduction, and carbon emissions metrics.

During the 2015 financial year, the Company reduced the lost time injury frequency rate by a further 30%. In total, the lost time injury rate has nearly halved since the beginning of the strategic plan in 2013. This has been an encouraging result as we progress towards our ultimate and unwavering goal of creating a zero harm environment for our employees.

Financial Performance

Revenue from continuing operations for the 2015 financial year was \$6.3 billion, which was 10% below the previous year. Lower revenue was due to a sharp decline in ferrous and non-ferrous metals prices, as well as the associated decline in Metals Recycling sales volumes

across all geographies. This was partially offset by stronger revenues generated by the Global Electronics Recycling business.

Earnings before interest and tax (EBIT), from continuing operations excluding significant items, increased by 5% to \$142 million, assisted appreciably by stronger earnings in the Europe Metals and Global Electronics Recycling businesses. These gains were moderated by lower earnings in the Australia & New Zealand Metals business.

Overall, however, the Australia & New Zealand Metals business continued to be the largest driver of group earnings, delivering \$59 million of underlying EBIT. Europe Metals improved by a significant 49% to \$25 million of underlying EBIT, while underlying EBIT from North America Metals was steady at \$12 million.

A highlight of the divisional performances for the year was the substantial earnings turnaround in the restructured Global Electronics Recycling business, which more than doubled earnings from continuing operations to \$44 million of underlying EBIT. The improved result was achieved through strong recovery in the Continental Europe and US based operations, stronger metallic yields, and attention to operational cost reductions.

The 17% improvement in underlying NPAT to \$102 million was supported by lower interest expenses due to strong operational cash flows and the divestment of our 16% interest in the Chiho-Tiande Group. In addition, net profit benefited from a lower effective tax rate of 20% due to the utilisation of previously unrecognised tax losses. Underlying earnings per share of 49.2 cents was 16% higher than the previous year.

Sims Metal Management continues to prudently manage its balance sheet. As of 30 June 2015, the Company had net cash of \$314 million, significantly higher than the same time last year when our net cash was \$42 million.

Five-year strategic plan

The strong earnings growth in difficult conditions demonstrates that the Company's strategic internal initiatives are adding considerable value. Through a disciplined approach to the aspects of the business which can be controlled, the Company was able to more than offset external pressures.

FY15 marked the second year of the Company's five-year strategic turnaround plan. The strategic roadmap to Streamline, Optimise, and Grow the business is progressing. Over the first two years of the plan, underlying EBIT has more than doubled, from \$67 million in FY13, to \$142 million in FY15¹.

Notably, the successes of the five-year plan have been delivered in the most difficult industry conditions in over a decade. The decline in commodity prices has seen a contraction in the generation and collection of secondary metals, with lower volumes creating increased competition across metal recyclers for raw materials, requiring more urgent and disciplined implementation of our strategic plan than originally envisaged.

In FY13, the Company sold 12.8 million tonnes of material. FY14 was 1 million tonnes lower, and FY15 was a further 1.3 million tonnes lower. This 18% contraction in volumes over two

¹ FY15 underlying EBIT from continuing operations, excluding non-recurring significant items

years was consistent with industry experience. Against this background, FY15 underlying EBIT was 17% higher than FY14 and more than double FY13 underlying EBIT.

Had FY15 volumes matched those of FY14, we estimate underlying EBIT would have been approximately \$110 million higher in FY15. These statistics should give shareholders some sense of what has been achieved over the last 18 months as streamlining and optimising initiatives more than offset the contraction in volumes. The improvement in underlying EBIT in FY15 in a contracting market was achieved through a number of strategic initiatives that lowered the Group's fixed cost base and improved operating margin performance. This included the closure of underperforming Electronics Recycling facilities in the UK and Canada, the roll-out of enhanced supply chain analytic systems, and investments in downstream non-ferrous recovery technology.

Internal initiatives led to \$103 million in gross margin and fixed cost improvements across the Metals Recycling operations. In addition, a \$44 million EBIT improvement across the Global Electronics Recycling business was achieved. These actions have materially improved the Company's ability to manage near-term challenging conditions, as well as improving our ability to take profitable advantage of future volume improvement.

An essential aspect of our strategic plan is a significant positive cultural change. A higher standard of transparency and accountability for measurable results is being set and, increasingly, these high standards are being met or exceeded.

This culture shift is moving the business from a reactive materials handler, to a proactive, customer centric, supply chain manager with constant attention to margin enhancement.

Return on Invested Capital

The fundamental principal underlying the five-year strategic targets is that, even at bottom of the cycle conditions, the Company must achieve a return equal to its cost of capital. FY15 return on invested capital (ROIC) was 5.5%, up from 5.3% in the prior year. ROIC is a measure which demonstrates how effective a company is at turning invested capital into profits for shareholders. Importantly, this measure cannot be upwardly biased by debt funded investments or overseas earnings boosted by favourable currency movements.

The Board and management are committed to achieving the ROIC targets, and remuneration policy has been set accordingly to ensure alignment to these strategic goals. The ROIC performance hurdle introduced in the FY16 long term incentive program is intended to reward achievement linked to improving the Company's ROIC performance, to a level above the cost of capital, independent of external operating conditions.

Capital Management and Dividend

Strong operational cash flows and prudent capital management helped increase the Company's net cash position to \$314 million as of 30 June 2015. Capital expenditure in FY15 increased to a sustainable \$95 million, up from \$64 million in the prior year.

This capital was directed towards a number of value accretive projects across the business, including the stage one metal shredder expansion at Kwinana, Western Australia, and the establishment of an electronics recycling facility in Norway. While capital expenditure is

expected to grow as new projects are initiated in line with our strategic plan, a judicious and disciplined approach to capital allocation will continue.

The Board determined to pay a final dividend for FY15 of 13.0 cents per share, which was fully franked, on 21 October 2015 to shareholders on the Company's register at the record date of 7 October 2015. The Company's dividend policy to distribute 45% to 55% of NPAT, subject to the discretion of the Board, remains unchanged.

Sustainability and Corporate Responsibility

Sims Metal Management understands, and strongly supports measures to address, the social and environmental issues it faces, wherever it operates. In FY15, the Board signed a letter of commitment to provide unconditional support to management to develop a world class platform for Safety, Health, Environment, Community and Sustainability (SHECS). We believe that excellence in these areas is vital to the wellbeing of our people and essential to the sustainable growth of our global business.

As directors, we are committed to being respected and responsible corporate citizens, working constructively with our communities and other stakeholders in the honest and ethical conduct of our business. Through our personal actions and leadership, Sims Metal Management is dedicated to being a company in which our employees are proud to work and shareholders can be proud to invest, as we create sustained growth and profitability.

Thank you

As the Company nears the midway point of its five-year strategic plan, the Board is encouraged by what has been accomplished thus far. However, as we are all aware, the markets in which we operate are becoming more challenging as demand for our commodities contracts and prices fall. The magnitude of the challenge our employees face in achieving our strategic objectives is greater now than was the case when we embarked on our strategic journey. Despite this it is clear to the Board that the management team continues to respond to the market environment so that we can be confident of achieving our strategic objective. On behalf of the Board, I thank all Sims Metal Management's employees for their contribution to the improved results of the Company under the leadership of Galdino Claro and his executive leadership team and for your unwavering commitment to respond to whatever the market presents to us.

On behalf of my fellow directors, I would also like to thank you for your continued support as shareholders in the Company.

On that note, I welcome Galdino Claro to the microphone, who will provide further detail on the Company's strategic priorities, as well as some commentary around the trading conditions currently being experienced and the outlook for the rest of the year.

Thanks Galdino.

Geoff Brunsdon



Annual General Meeting 2015 Group Chief Executive Officer's Address

Thank you Mr Chairman,

A Transformative Strategy

It has been two years since we began our five year plan to transform Sims into a best-in-class global recycling company. The strategy we are implementing to Streamline, Optimise, and Grow the business has now taken root.

The past year presented immense challenges to the recycling industry. Still there was much to be proud of at Sims. We have made meaningful progress implementing the internal initiatives of our five-year plan, and these initiatives have translated into tangible earnings results.

In FY15, while profit across the metals and electronics industry suffered due to falling volumes, commodity prices, and intense competition; Sims was able to grow earnings, increase dividends paid to shareholders, and build a strong balance sheet for future growth.

Yet as I speak to you now, the metals recycling industry is experiencing the most difficult conditions experienced in over a decade. These conditions have deteriorated further since the end of FY15. The deterioration has been so significant that we have commenced execution on a set of additional Streamline and Optimise initiatives. I will elaborate more on these actions further in my address.

We will not deviate from our strategy of internal improvement. Through the strengths of our superior business model, our execution discipline, and the quality of our people, we remain committed to increasing the return on capital for our shareholders.

Delivering on our Strategic Initiatives

During FY15 we successfully executed our strategic initiatives to Streamline underperforming businesses and Optimise our core drivers of profitability. These actions have led to a reduction in fixed costs and stronger sales margins across our operating platform.

Streamline actions undertaken in FY15 included the closure of underperforming and non-strategic e-recycling facilities in the UK and Canada, which was accomplished on time and on budget. We also completed the restructuring of the North America Metals management structure from seven operating regions into three, resulting in reduced overhead costs and improved communication flow across the businesses.

Within our Optimise initiatives, we completed the roll-out of a new supplier analysis platform in North America. This new system has dramatically improved our ability to monitor, communicate, and make adjustments to critical profitability drivers across our supply chain.

This technology, which was developed in-house, has enabled closer links between our internal commercial buying and selling teams, providing improved inventory management while reducing exposure to commodity price risks.

As Geoff mentioned, in FY15 the total of these initiatives led to \$103 million in gross margin and fixed cost improvements across the Metals Recycling operations; as well as a \$44 million EBIT improvement across the Global Electronics Recycling business. These improvements have materially improved the underlying business and have been critical in offsetting the headwinds we face across our external markets.

Business Model

To succeed in the current market has required a fresh perspective on old problems. We have looked across our core drivers of profitability and challenged ourselves to improve every aspect of our operating model. This extends from our supplier relationships, logistics & transportation, our operational excellence, to the products and services we sell.

The innovation being developed under our strategy is enabling us to stay ahead of our competition as well as future market trends in demographics and technology.

We are reinvigorating the business through the adoption of new systems, like our supplier analysis platform. We are also implementing new processing technology to increase metallic recovery from our raw materials, leading to improved yields and wider sales margins. In addition we have shifted the traditional sales paradigm with our 'pull system' which utilises our ability to sell forward into export markets in order to reduce inventory risk and increase sales turnover.

Our Global Electronics Recycling business too is undergoing a transformation. FY15 marked a significant turnaround in the profitability of the Global E-Recycling business. Following the closure of operations in the UK and Canada, the US business is reorienting itself towards a services and asset management model, while retaining a strong base in commodity recovery. Combined, this has transformed the business from a negative contributor, to one of the most profitable businesses in our portfolio. Moreover, the Electronics Recycling business is becoming an engine of technological innovation across the Group which all operations can leverage.

A Disciplined Execution Approach

The level of change occurring at Sims takes well-coordinated and disciplined execution. To ensure this we established our Group Project Management Office (PMO). The PMO is the central coordination point for the execution of the over 400 efficiency related projects across the Company's global operating footprint.

As we near the half-way point of our five-year plan, we continue to see new ways to further enhance the business. Facilitated by our PMO, and with executive level sponsorship and review at the highest levels, we are rapidly deploying our internal initiatives across the Group.

Management Team

The core strength of Sims comes from the high quality of its talented people. The Executive Leadership Team exemplifies this, and is a true team, not just a group of individuals. And the collaboration which exists between the businesses is a key factor driving the success and synergies the Company has been implementing across the Group.

In July 2015 we announced the appointment of Alistair Field as Managing Director of Australia & New Zealand Metals (ANZ Metals). Alistair, who is with us today, is a highly experienced executive with a proven track record of leadership and we are excited to have him join our Executive Leadership Team.

Alistair replaces Darron McGree, who, after a long and distinguished career, leaves ANZ Metals in a sound position. We are grateful for the leadership Darron has shown in building the business to its pre-eminent position in the region, and wish him well in his retirement. Also leaving us after successful tenures with the Company were Bob Kelman, most recently our Managing Director of Europe Metals, and Michael Lion, former head of the Company's global non-ferrous trading operations in Hong Kong. I would like to thank Bob and Michael for their contributions and wish them the very best for the future.

Our Culture and Core Values Drive Success

The true driver of the success of our five-year plan lies in the renewed corporate culture we are creating, built around our core values of Safety, Integrity, Respect, Transparency, Excellence, and Social Responsibility. Our culture and core values are what bring us together, across regions and responsibilities. These core values determine who we are as a company and are the foundation of everything we do.

Safety is our first priority and without it there can be no success. Our goal is to be the safest company in the world. We think about safety in every action we take. All our employees know it is their duty to their co-workers, visitors and families to be safe, and together we are committed to providing an injury free workplace. Members of my Executive Leadership Team and I recently conducted Town Hall meetings to communicate directly to our employees the importance of our culture and core values, and to drive home the message of "Safety First." We are proud of our safety results in FY15 with the Group LTIFR down 30% from FY14, however there is more to do and we will strive for further improvement in the year ahead.

Integrity and Respect. At Sims we are committed to acting with integrity in everything we do. We believe it is important that every employee is able to go home every day and be proud of his or her actions. We are also committed to respecting each other and a diverse workforce, including the respect for differing opinions.

Transparency and Excellence. Employees throughout our organisation have championed a culture of transparency and excellence that openly shares information and drives best practices across our businesses. This has enabled us to accelerate the sharing of best practices and leverage some of our best talent and ideas across the Company.

Social Responsibility. The Company's commitment to social responsibility and sustainability starts at the top. During the past year, our Board took the unique and powerful step of personally signing a Board of Directors' Commitment to Safety, Health, Environment,

Community and Sustainability (SHECS). It is excellence on these foundations that is critical to the welfare of our people and essential to the long-term growth of our business.

From the executive offices to the individual plants, we have created a culture and core values that I have seen being demonstrated every day, and of which I am proud.

Strategy and Market Update

We are pleased with the progress achieved in FY15. However, the extreme challenges we are facing from external market conditions have intensified during the beginning of FY16. Volumes and prices of secondary metals are at the lowest level of the last decade. External market conditions and dynamics represent a “new-norm” and are not expected to improve in the short term.

Slowing Chinese finished steel demand resulted in lower steel, iron ore, and secondary metal domestic prices. In response, Chinese steel producers have increased exports of finished and semi-finished steel into the markets of many of our traditional customers, leading to lower global demand for secondary metal.

During the first half of FY16, ferrous prices collapsed by 42% (\$114/tonne), including a 30% drop (\$66/tonne) since we reported our financial results in August.

Lower ferrous scrap prices have jeopardised the economic appeal of collection of more marginal material by our suppliers. In turn, the metals recycling industry globally has experienced a further drop of intake volumes since the end of FY15.

The sharp deterioration in market conditions experienced in 1H FY16 has placed significant downward pressure on underlying EBIT. Based on results to the end of October, 1H FY16 underlying EBIT is currently expected to be around break-even.

To address these challenges, and to ensure an above cost of capital return is achieved by FY18, we are in the process of “resetting” our fixed cost base and operational footprint to the “new-norm”. The majority of these initiatives will be in progress during 1H FY16, and will be completed by the end of 2H FY16.

The “resetting plan” includes the redesign, closure and divestment of facilities where an acceptable return on capital is unlikely to be achieved within a reasonable time-frame. In addition, we are accelerating the speed of implementation of our Optimisation initiatives and prioritising the delivery of the most impactful projects. We expect the majority of the benefits from these initiatives to be balanced towards 2H FY16.

A detailed disclosure of our “resetting plan”, related benefits and associated costs will be communicated with the release of the 1H FY16 financial results. We currently estimate total significant items including asset, goodwill, and intangible impairment related to the “resetting plan” to be approximately \$230 million in 1H FY16. This estimate includes cash costs of approximately \$20 million.

Due to the costs related to the “resetting plan”, 1H FY16 statutory EBIT will be meaningfully below underlying EBIT.

As the benefits from the “resetting plan” initiatives are realised, we anticipate underlying EBIT to improve to an annualised rate similar to the FY15 result, by the end of FY16.

Despite the substantial industry headwinds and “resetting plan” costs, we expect our cash position at the end of FY16 to be similar to the position at the end of FY15, after accounting for “resetting plan” costs, capital expenditure, working capital management and continued dividend payments.

The actions we are taking to navigate the severe market conditions are difficult but necessary. Based on a swift response through our “resetting plan”, Sims Metal Management will be significantly better placed to manage the “new-norm” conditions, and ultimately to reach our FY18 return on capital targets.

On behalf of my Executive Leadership Team and myself, I thank you for your continued support as shareholders in the Company.

Galdino Claro

About Sims Metal Management

Sims Metal Management is one of the world's largest metal recyclers with over 200 facilities, operations in 20 countries, and 5,400 employees globally. Sims' core businesses are metal recycling and electronics recycling, with approximately 58% of its revenue from operations in North America. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) as well 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.

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