Financial Results

Full year ended 30 June 2015

Galdino Claro, Group CEO
Fred Knechtel, Group CFO
21 August 2015

SIMS METAL MANAGEMENT

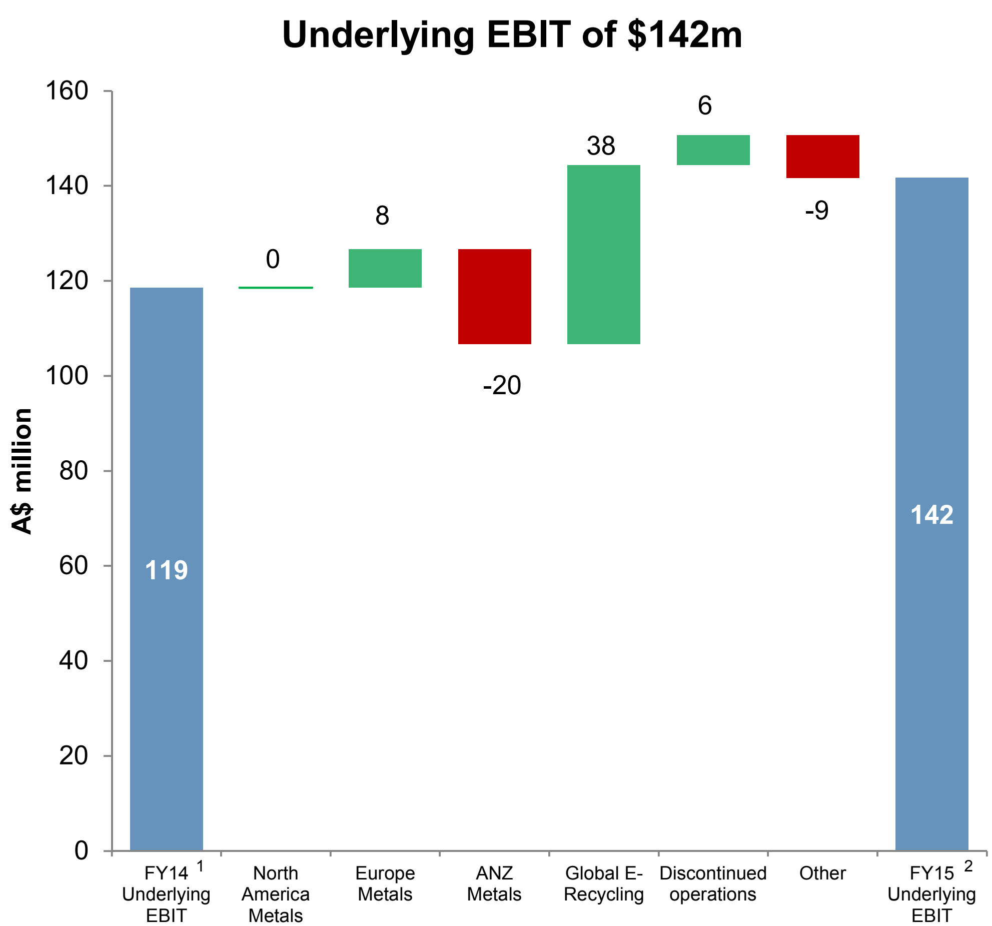
Financial Results

Sales Revenue	$6,311m	Sales Tonnes	10.5Mt
Underlying EBITDA[1]	$263m	Net Cash	$314m
Underlying EBIT[1]	$142m	Statutory EBIT	$145m
Underlying NPAT[1]	$102m	Statutory NPAT	$110m
Underlying EPS[1] (diluted)	49.2c	FY15 Dividends	29.0c *16.0c (interim) & 13.0c (final)*

Higher earnings despite lower sales volume

1. Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses.
All numbers are in Australian dollars unless otherwise noted

Strong growth from Europe Metals and E-Recycling



- Within North America Metals, EBIT in the West Coast and East Coast Regions improved by $16 million during FY15
- Significant earnings improvement in the East and West was offset by extremely challenging competitive conditions in the North America Central Region
- Global E-Recycling EBIT increased $38m driven by streamlining actions and improved results in Europe and the US
- Europe Metals EBIT increased $8m due to increased operating efficiencies and lower costs, offsetting a 1% reduction in volumes
- ANZ Metals EBIT decreased $20m due to 9% lower volumes and gross margin contraction related to lagging material cost in a decreasing price environment

Improvement in Europe, North America and Global E-Recycling offset ANZ decline

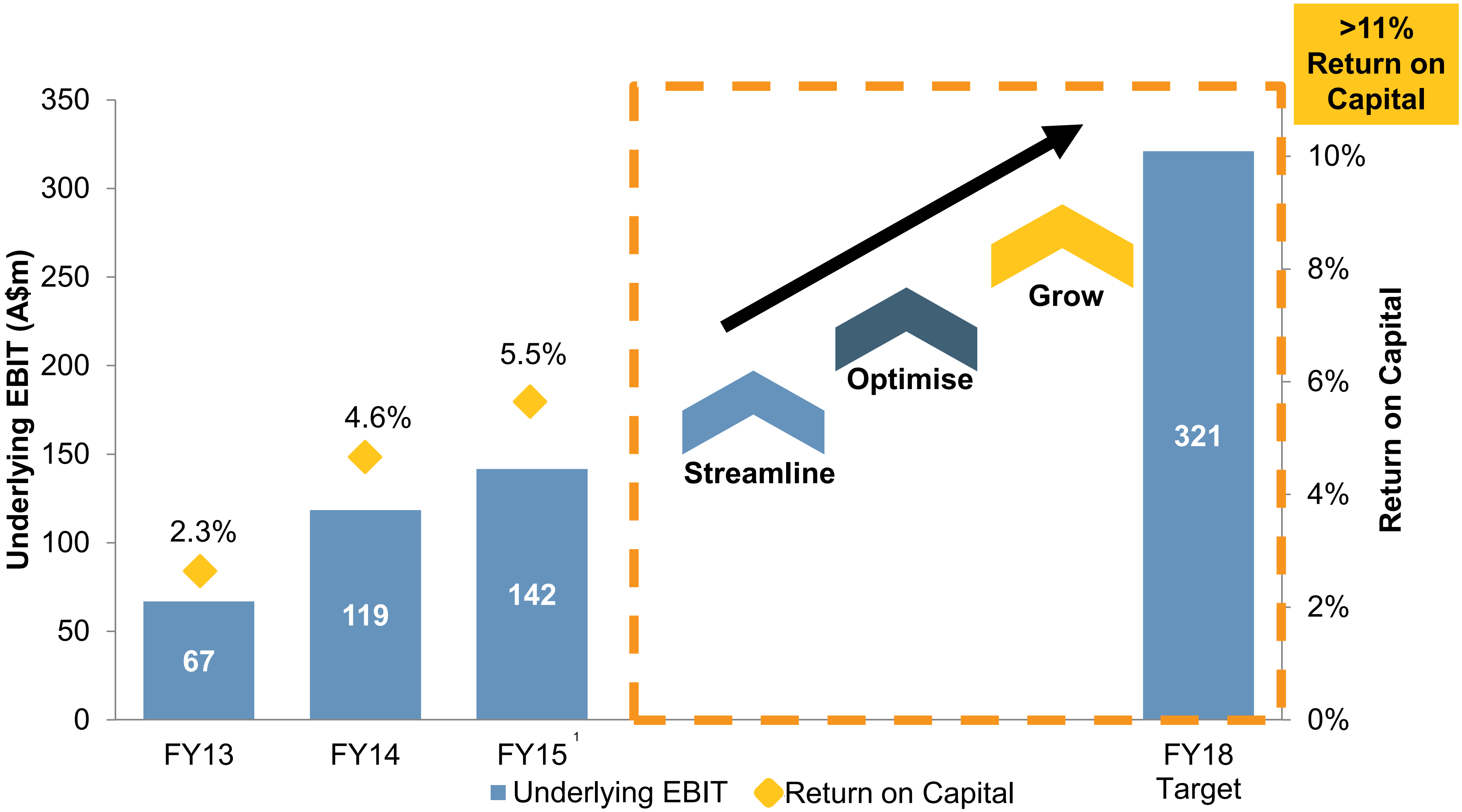
1. Underlying earnings from consolidated operations
2. Underlying earnings from continuing operations; excludes discontinued businesses (e-recycling in the UK and Canada closed during FY15)

Strategic Plan Progress

	Streamline	Optimise	Grow
FY15 Progress	Initial Streamline completed: ✓ Closure of e-recycling operations in UK & Canada ✓ Closure of downtown Chicago corporate office ✓ Restructure & reduction of regional overhead costs in North America Metals	✓ Established Project Management Office (PMO) to drive strategy implementation ✓ Rollout of supplier analysis platform in North America ✓ Improved intake quality control standards ✓ Enhancements to non-ferrous shred recovery systems	✓ Acquired three small businesses in North America & ANZ Metals ✓ Stage one expansion of a new shredder & yard in Western Australia ✓ Opened new e-recycling facility in Norway
FY16 Objectives	New Streamline initiatives: • Align operating costs to better match market activity • Streamline operating assets • Reduce SG&A support costs	• Improve supply chain and logistics efficiency • Optimise downstream non-ferrous recovery technology • Further enhance and embed the 'pull' model of sales and inventory control	• E-recycling growth across asset management & emerging markets • Grow non-ferrous market share in North America Metals • Investments in new non-ferrous MRP plants in North America and ANZ Metals

Driving earnings growth through internal initiatives

Earnings Growth & Target



FY18 targets reviewed, realistic, and reconfirmed

1. Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses

Financial & Segment Performance

Fred Knechtel, Group CFO

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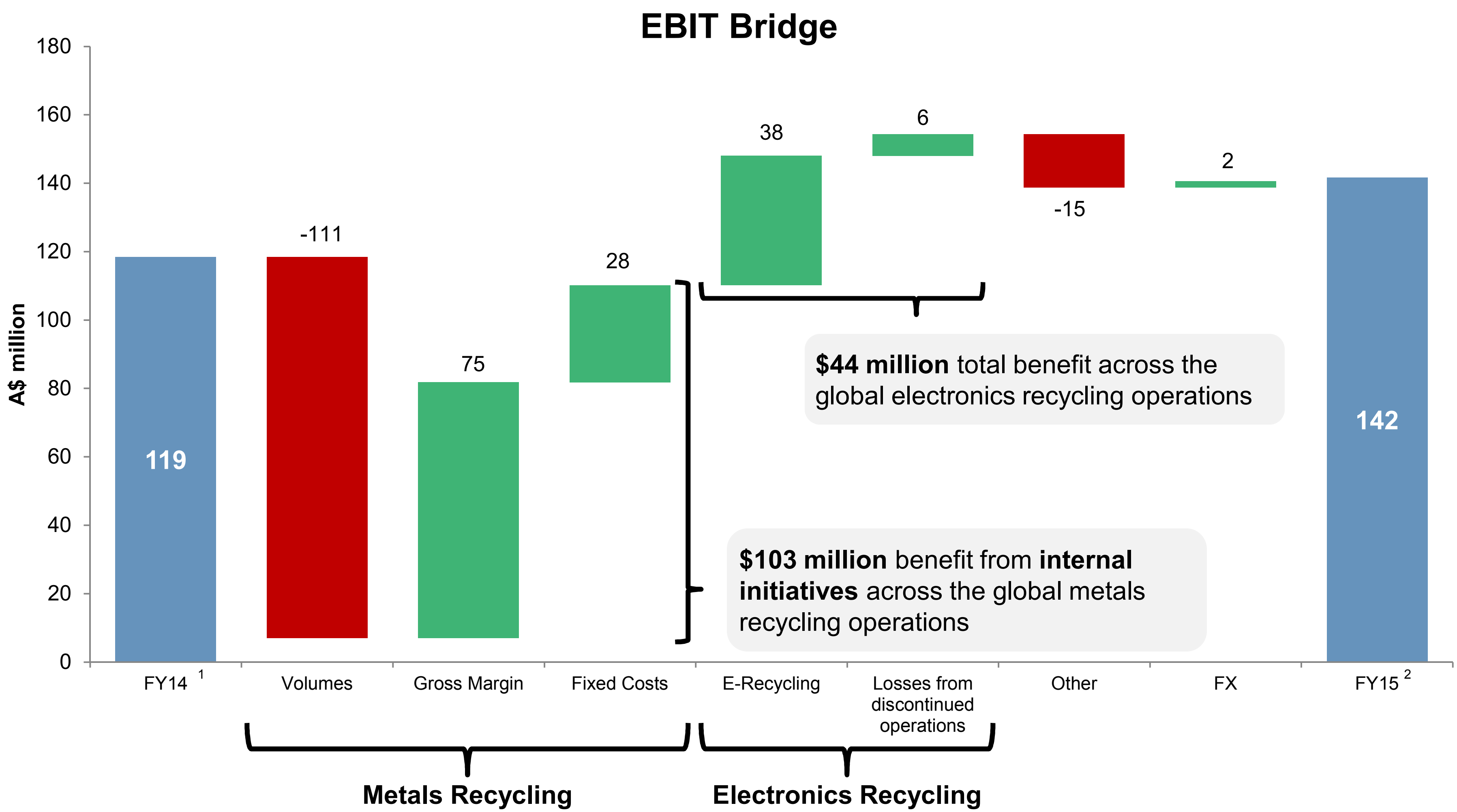
Internal initiatives driving higher margins



Significant direct benefit from internal initiatives on gross margins and fixed costs

1. Underlying earnings from consolidated operations
2. Underlying earnings from continuing operations; excludes discontinued businesses (e-recycling in the UK and Canada closed during FY15)

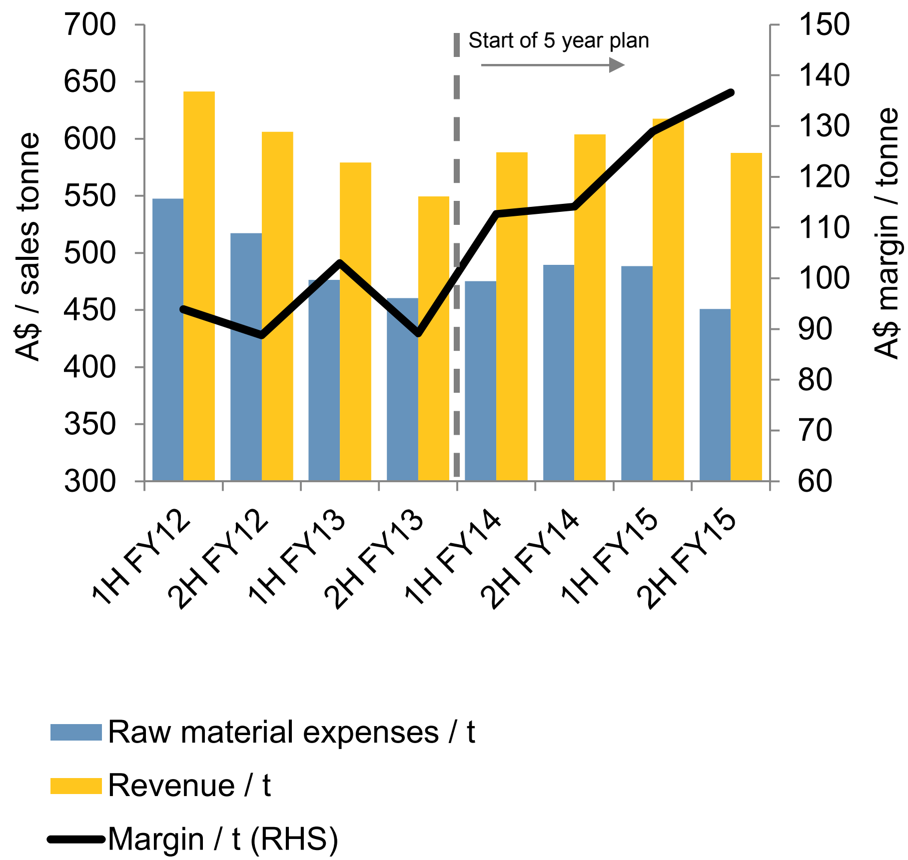
Gross Margin Management

- Internal initiatives have driven gross margin improvement of $47/t since the start of the strategic plan

- Margins expanded through:
  - Raw material source control
  - Metal yield & quality improvements
  - Leveraging Global Trade network

- Margins defended through:
  - 'Pull forward' sales system to minimise open inventory risks
  - Rapid adjustments to raw material intake prices

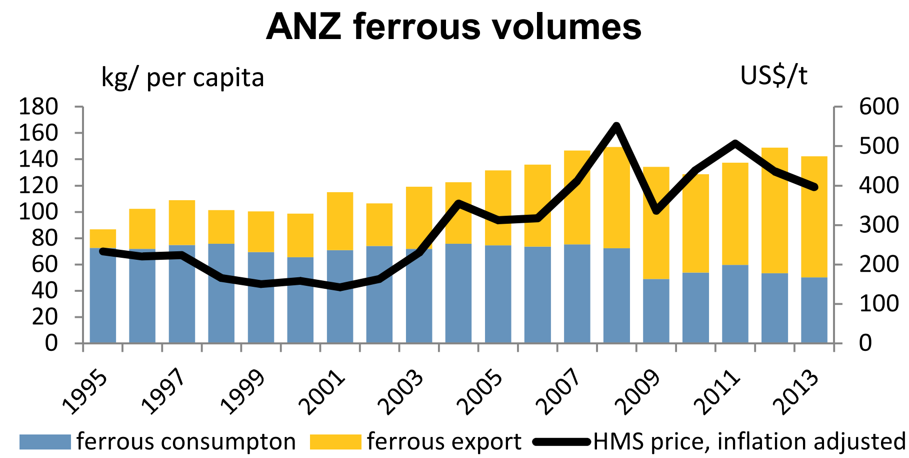
Gross Margin Trend[1]

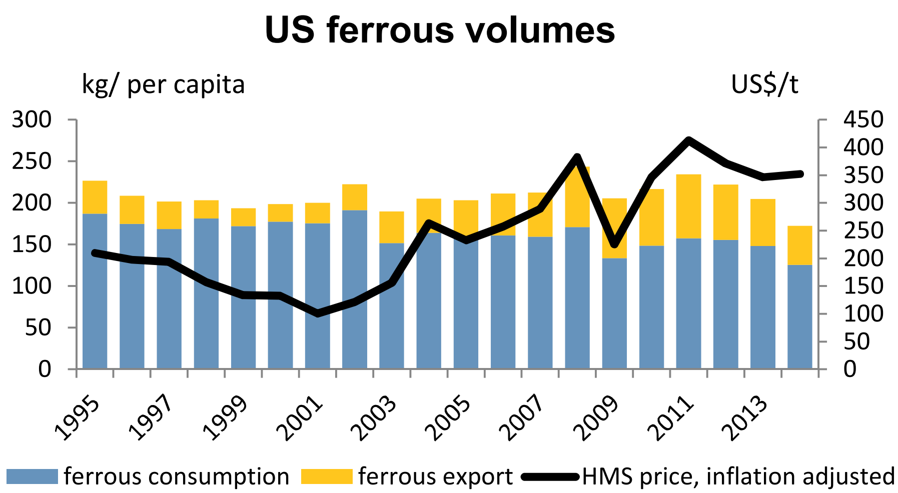


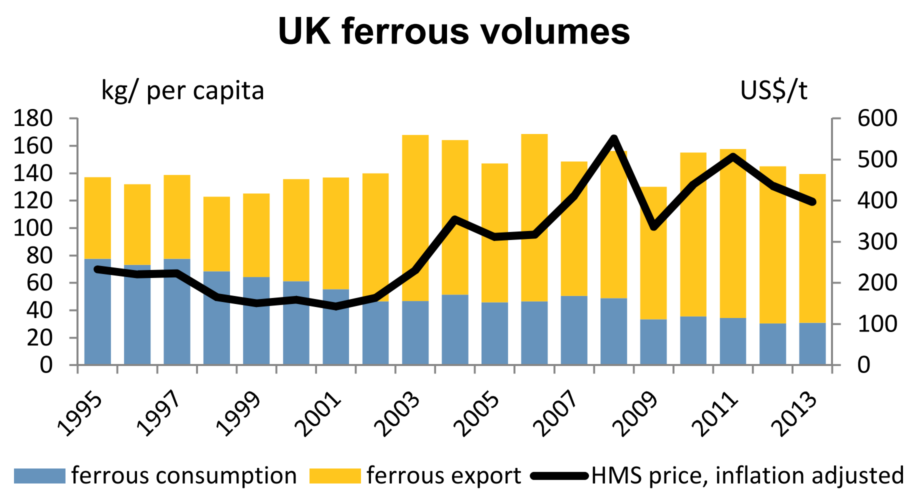
Gross margins expanded despite falling commodity prices

Ferrous prices impacting intake volumes

- Long-term a relationship exists between ferrous scrap intake and ferrous scrap prices (inflation adjusted)
- Across the US, UK, and Australia & New Zealand, higher ferrous prices tend to lead to higher volumes



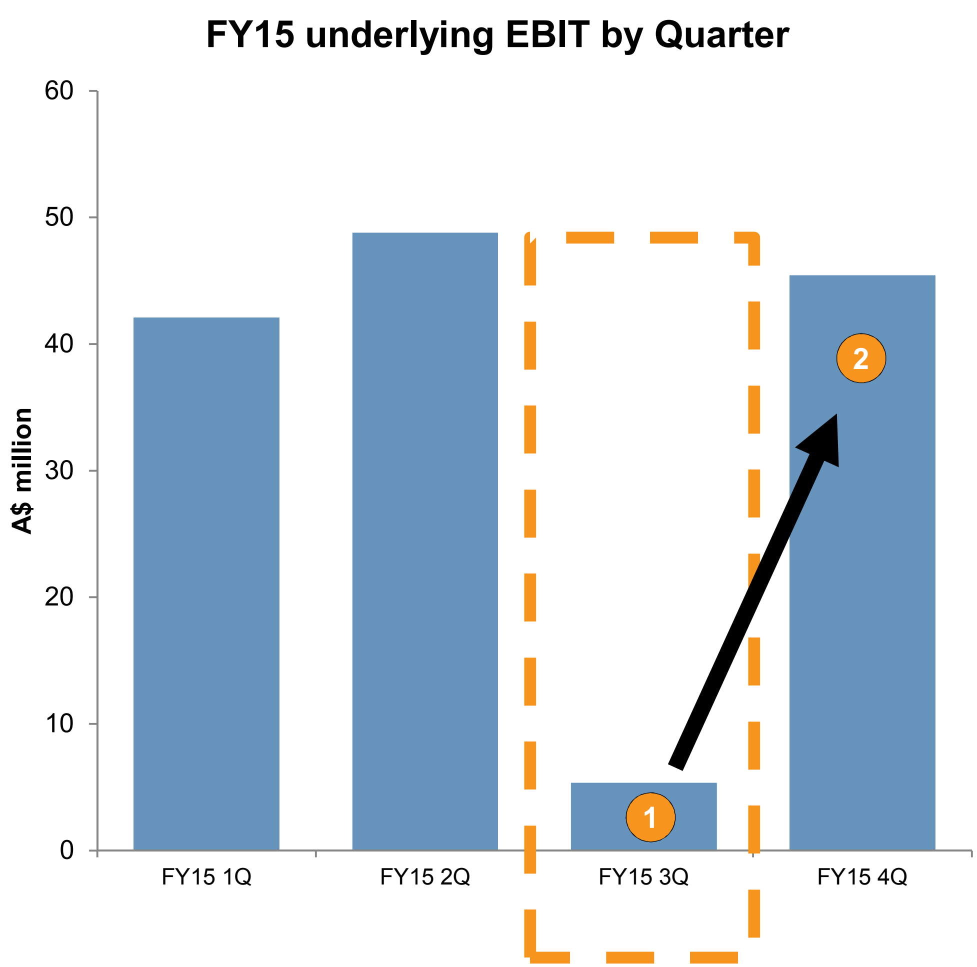




Lower commodity prices subdues the outlook for intake volumes

Source: USGS, ABS, WSA, Tex Report

Earnings by Quarter



- FY15 earnings negatively impacted by 3Q commodity price decline and severe weather in North America

1. During 3Q the 24% drop in ferrous scrap prices and the severe winter weather, led to reduced group volumes of 18% vs the prior quarter and 17% vs the prior year
2. Strong 4Q earnings recovery through continued application in internal initiatives and stabilisation in external market conditions

Strong 4Q earnings recovery following atypical 3Q conditions

1. Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses

North America Metals

A$m	FY15	FY14	Chg %
Sales Revenue	3,416.5	3,995.7	(14.5)
Statutory EBITDA	86.7	60.2	44.0
Underlying EBITDA	80.7	74.5	8.3
Depreciation	55.9	48.3	15.7
Amortisation	13.0	14.5	(10.3)
Statutory EBIT	17.8	(2.8)	NMF
Underlying EBIT	11.8	11.7	0.9
Assets	1,335.0	1,284.9	3.9
Intake Volumes (000's)	6,885	8,181	(15.8)
Sales Volumes (000's)	7,018	8,152	(13.9)
Employees	2,129	2,243	(5.1)

Performance

- Improved earnings over the prior year, despite 14% lower sales volume and competitive market conditions
- As conditions stabilised in the 4th quarter, earnings improved meaningfully
- Underlying EBIT from the East and West regions improved by $16 million over prior year, partially offset by challenges in the Central region
- Higher gross margins achieved through disciplined inventory management, reduced operating costs, and increased metallic yields
- Improved results from New England expansion and New York Municipal Recycling Contract

Strategic Progress

- Streamlined regional corporate overhead costs and realignment to more agile three region management structure
- Reduced inbound trucking costs and increased utilisation of rail on outbound transport
- Completed full rollout of supplier analysis platform across the North America Metals platform

Higher earnings despite lower volumes and market headwinds

Australia & New Zealand Metals

A$m	FY15	FY14	Chg %
Sales Revenue	1,053.3	1,187.8	(11.3)
Statutory EBITDA	85.0	108.8	(21.9)
Underlying EBITDA	86.9	106.9	(18.7)
Depreciation	26.6	26.7	(0.4)
Amortisation	1.1	1.0	10.0
Statutory EBIT	57.3	81.1	(29.3)
Underlying EBIT	59.2	79.2	(25.3)
Assets	463.3	446.8	3.7
Intake Volumes (000's)	1,848	2,009	(8.0)
Sales Volumes (000's)	1,874	2,054	(8.8)
Employees	813	830	(2.0)

Performance

- Profitability impacted by falling commodity prices, leading to lower volumes and margin compression
- Lower ferrous prices reduced intake flow from more remote regional material
- Legacy supply agreements, unique to ANZ Metals, applied additional margin pressure due to lagging pricing features in a falling sales price environment
- Earnings meaningfully recovered as commodity prices and market conditions stabilised in the 4th quarter

Strategic Progress

- Stage one of the Western Australia expansion of a new mid-size shredder substantially complete
- Stage two of the Western Australia expansion to commence in FY16, including the construction of an advanced off-line non-ferrous metal separation plant
- Alistair Field hired as Managing Director of ANZ Metals, replacing Darron McGree who will remain in an advisory role until the end of FY16

Sharp commodity price fall impacted near-term performance

Europe Metals

A$m	FY15	FY14	Chg %
Sales Revenue	1,036.6	1,063.5	(2.5)
Statutory EBITDA	38.0	29.0	31.0
Underlying EBITDA	37.1	29.2	27.1
Depreciation	12.5	12.7	(1.6)
Amortisation	-	-	-
Statutory EBIT	25.5	16.3	56.4
Underlying EBIT	24.6	16.5	49.1
Assets	258.3	253.3	2.0
Intake Volumes (000's)	1,598	1,593	0.3
Sales Volumes (000's)	1,589	1,609	(1.2)
Employees	704	634	11.0

Performance

- Considerable lift in underlying earnings due to higher gross margins and lower operating expenses
- Gross margins boosted by improved metallic yields across the region's three shredders
- Improved operational performance more than offset lower sales volumes

Strategic Progress

- Lowering transport costs by increased load utilisation to decrease the overall size of the trucking fleet
- Reducing waste volumes and expenses per tonne, through innovative separation and segmentation of material types to limit fees for disposal
- Implementing further metal recovery technologies and enhancements which are expected to deliver additional benefit in FY16

Gains driven by attention to process improvement

Global E-Recycling

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A$m	FY15	FY14	Chg %
Consolidated Operations[1]			
Underlying EBITDA	49.5	20.2	145.0
Underlying EBIT	38.0	0.0	NMF
Discontinued Operations			
Underlying EBITDA	(5.7)	(10.7)	46.7
Underlying EBIT	(6.0)	(17.1)	(64.9)
Continuing Operations[2]			
Sales Revenue	795.0	759.8	4.6
Underlying EBITDA	55.2	30.9	78.6
Depreciation	10.6	11.1	(4.5)
Amortisation	0.6	2.7	(77.8)
Underlying EBIT	44.0	17.1	157.3
Assets	473.3	428.7	10.4
Employees	1,703	1,829	(6.9)

Performance

- Underlying EBIT and margins the highest in three years, driven by streamline and optimisation actions
- Reduced statutory losses from discontinued operations in the UK and Canada
- Stronger performance in Continental Europe related to improved volume and material recovery rates
- Early stage growth across asset management service offerings and emerging markets
- Transition towards a higher value added service based model for global clients will enhance margins, growth, and earnings stability

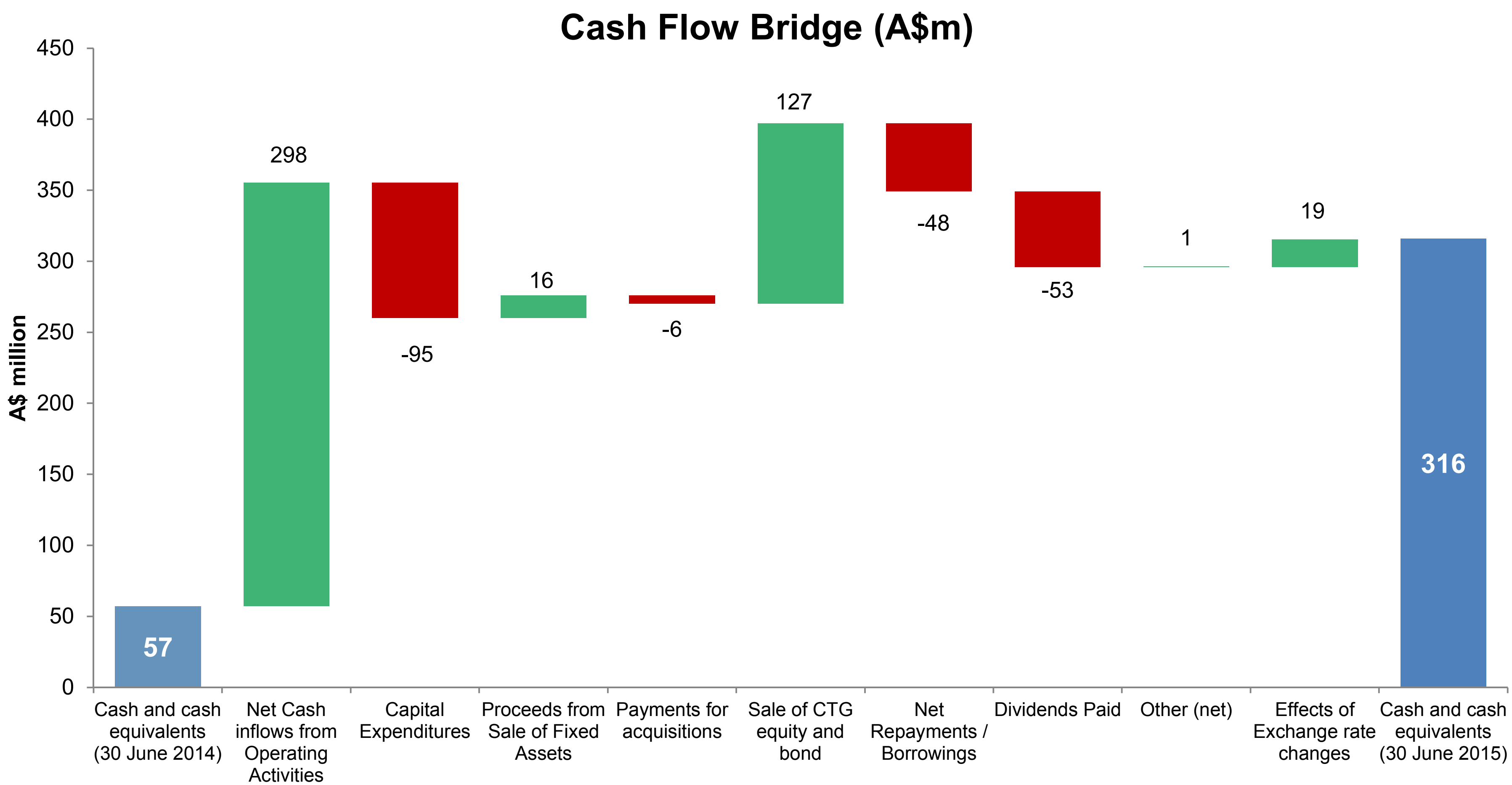
Strategic Progress

- Streamline actions to close loss making operations in the UK and Canada now complete
- Optimise initiatives in the US underway to lower operating costs and recalibrate the operating model
- Expansion of Scandinavia operations for WEEE recycling in Norway and Singapore facility for asset management

E-Recycling transitioning to a higher value added service based model

1. Underlying earnings from consolidated operations
2. Underlying earnings from continuing operations; excludes discontinued businesses (e-recycling in the UK and Canada closed during FY15)

Cash Flows

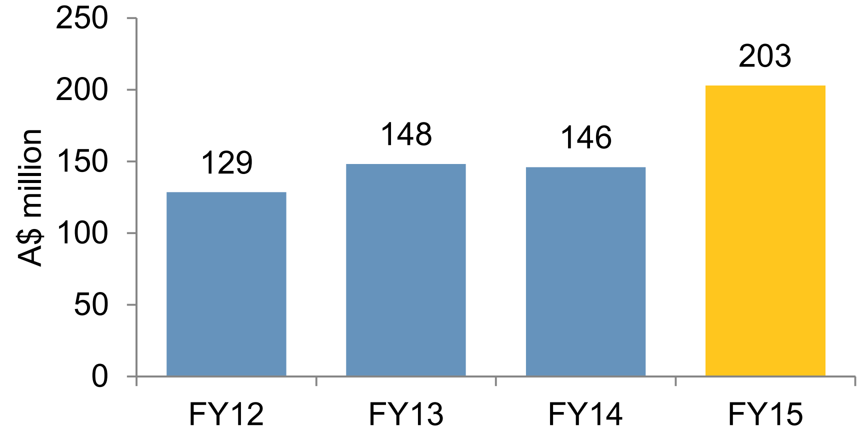


Strong cash flow supports internal investments and returns to shareholders

Free Cash Flow and Net Cash

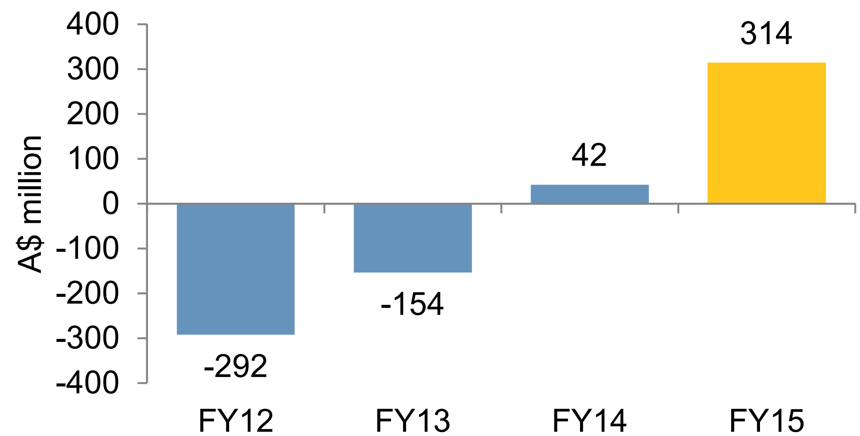
- Strong operational cash flow
- Consistent positive free cash flow after capex

Free Cash Flow[1]



- Net cash balance sheet position due to strength of operational cash flows
- Strong balance sheet provides business stability and financial flexibility

Net Cash[2]



Consistent strong operational cash flow

1. Free Cash Flow = Cash flow from operating activities – Capital Expenditures
2. Net Cash = Cash – Total Debt Outstanding

Capital Management

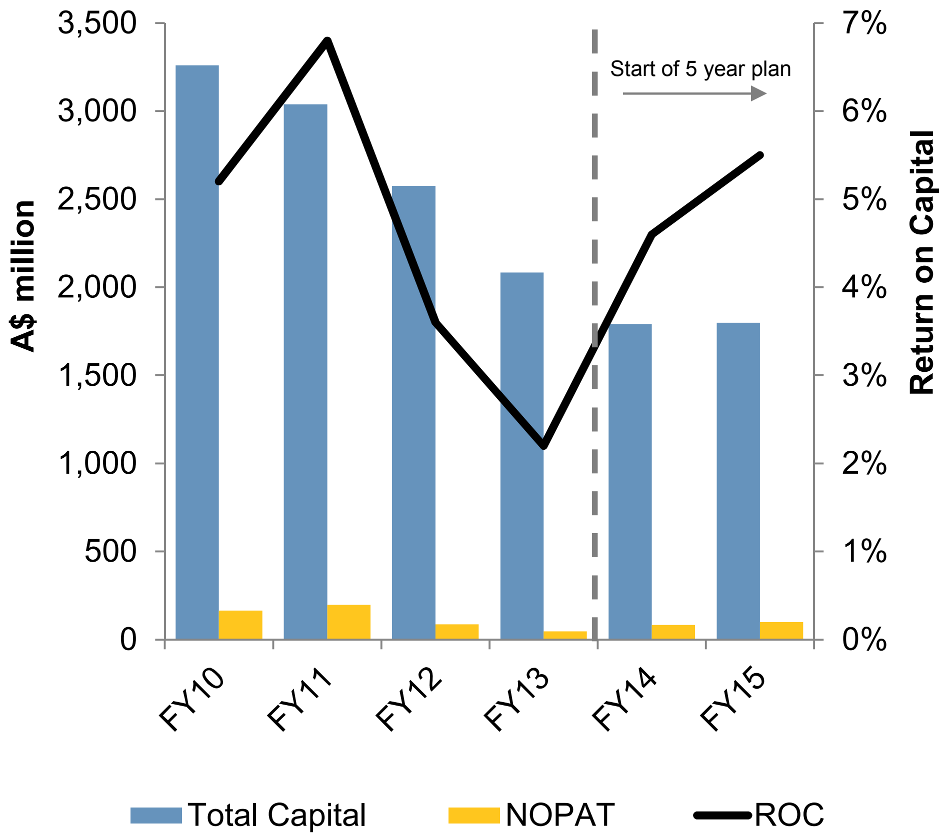
- Net cash of $314 million as of 30 June 2015
- Final dividend of 13 cents, fully franked
- Shareholder wealth creation through the right balance of business investment and capital management
- Balance sheet well positioned for expansionary opportunities
- FY16 capex expected to be between $120 to $130 million

Sustaining Capex	•Ongoing maintenance to sustain high performing operations •Renewal of obsolete technology and equipment •Maintain and improve environmental and safety standards at our facilities
Expansionary Capex	•Invest in organic & acquisitive growth •FY16 capex includes phase two Kwinana expansion in ANZ Metals •Capital spending to support Optimisation and Growth targets
Capital Management	•Dividend payout policy of 45% to 55% of net profit after tax •Potential for share buybacks or special dividends

Strong balance sheet provides growth and capital management options

Return on Capital Focus

Return on Capital Trend



Net Operating Profit After Tax (NOPAT)

- Improve gross margin per tonne
- Increase tax structure efficiency
- Optimise operating assets & variablisation of fixed cost base

Capital

- Improve working capital turnover:
  - Shorter production cycles
  - Efficient inventory management
  - Improved AR & AP terms
- Disciplined capex investment
  - Leasing vs buying
  - Net Present Value analysis
- Optimise operating assets & variablisation of fixed cost base

Fixed cost variablisation will improve return on capital at lower volumes

Summary & Outlook

Galdino Claro, Group CEO

SIMS METAL MANAGEMENT

Summary & Outlook

- Continued underlying NPAT growth in FY15, with underlying EBIT now more than double since the start of the five year strategic plan
- FY18 earnings targets reviewed and reconfirmed to be achievable in full
- Near-term external market conditions still challenging due to China exports, low commodity prices subduing scrap metal collection rates, and continued high competition among metals recyclers
- Despite external headwinds, due to the internal strategic initiatives, we anticipate continued underlying EBIT improvement in FY16

Appendix

SIMS METAL MANAGEMENT

FY15 income tax expense considerations

A$ million	Profit Before Tax	Income Tax	Effective Tax %
Statutory Result	**137.0**	**27.2**	**19.9%**
Reconciling items:			
Utilisation of previously unrecognised losses		8.0	
Other one-time tax benefits		4.2	
Underlying Results	**137.0**	**39.4**	**28.8%**

Financial Summary - Group

A$ million	FY10	FY11	FY12	FY13	FY14	FY15[1]
Group Results						
Sales Revenue	7,453	8,847	9,036	7,193	7,129	6,311
Underlying EBITDA	379	414	253	190	242	263
Underlying EBIT	235	283	123	67	119	142
Underlying NPAT	**127**	**182**	**74**	**17**	**69**	**102**
Underlying EPS (cents)	65	88	36	8	34	49
Dividend (cents)	33	47	20	0	10	29
Balance Sheet						
Total Assets	4,233	4,167	3,509	2,917	2,649	2,882
Total Liabilities	959	1,256	1,225	988	816	769
Total Equity	3,274	2,912	2,284	1,929	1,834	2,113
Net Cash (Net Debt)	**15**	**-126**	**-292**	**-154**	**42**	**314**
Cash Flows						
Operating Cash Flow	-48	159	290	297	210	298
Capital Expenditure	-121	-143	-161	-149	-64	-95
Free Cash Flow	**-168**	**16**	**129**	**148**	**146**	**203**
NOPAT	165	198	86	47	83	99
Total Capital	3,259	3,038	2,576	2,083	1,792	1,799
ROC[2] (%)	**5.0%**	**6.5%**	**3.3%**	**2.3%**	**4.6%**	**5.5%**

1) Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses
2) Return on Capital = Underlying NOPAT / (BV of Equity + Net Debt)

Financial Summary – Segment

A$ million	FY10	FY11	FY12	FY13	FY14	FY15[1]
Sales Revenue						
North America Metals	4,834	5,782	5,773	4,256	3,996	3,417
ANZ Metals	1,126	1,300	1,190	1,047	1,188	1,053
Europe Metals	783	954	1,056	935	1,063	1,037
Global E-Recycling	622	750	982	937	868	795
Unallocated	88	61	35	18	14	9
Total	**7,453**	**8,847**	**9,036**	**7,193**	**7,129**	**6,311**
Underlying EBITDA						
North America Metals	182	175	51	94	75	81
ANZ Metals	83	107	80	72	107	87
Europe Metals	25	28	15	-2	29	37
Global E-Recycling	87	112	92	24	20	55
Unallocated	2	-8	15	2	11	3
Total	**379**	**414**	**253**	**190**	**242**	**263**
EBITDA Margin (%)						
North America Metals	3.8%	3.0%	0.9%	2.2%	1.9%	2.4%
ANZ Metals	7.4%	8.2%	6.7%	6.9%	9.0%	8.3%
Europe Metals	3.2%	2.9%	1.4%	-0.2%	2.7%	3.6%
Global E-Recycling	14.0%	14.9%	9.4%	2.6%	2.3%	6.9%
Total	**5.1%**	**4.7%**	**2.8%**	**2.7%**	**3.4%**	**4.2%**

1) Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses

Financial Summary – Segment (cont.)

A$ million	FY10	FY11	FY12	FY13	FY14	FY15
Sales tonnes ('000)						
North America Metals	9,906	10,964	11,080	9,377	8,152	7,018
ANZ Metals	1,578	1,764	1,765	1,764	2,054	1,874
Europe Metals	1,394	1,466	1,651	1,645	1,609	1,589
Total	**12,878**	**14,194**	**14,496**	**12,786**	**11,815**	**10,481**
Underlying EBIT						
North America Metals	92.7	99.6	-18.7	32.8	11.7	11.8
ANZ Metals	62.4	86.1	56.3	46.9	79.2	59.2
Europe Metals	15.8	18.8	4.1	-14.0	16.5	24.6
Total	**170.9**	**204.5**	**41.7**	**65.7**	**107.4**	**95.6**
EBIT / tonne (A$/t)						
North America Metals	9.36	9.08	-1.69	3.50	1.44	1.68
ANZ Metals	39.54	48.81	31.90	26.59	38.56	31.59
Europe Metals	11.33	12.82	2.48	-8.51	10.25	15.48
Total	**13.27**	**14.41**	**2.88**	**5.14**	**9.09**	**9.12**

Financial Summary – Segment (cont.)

A$ million	FY10	FY11	FY12	FY13	FY14	FY15[1]
Sales tonnes ('000)						
Ferrous Trading	9,068	10,115	10,320	9,396	9,331	8,325
Ferrous Brokerage	3,264	3,518	3,597	2,840	1,918	1,617
Non Ferrous	565	571	586	550	566	539
Total	**12,897**	**14,204**	**14,503**	**12,786**	**11,815**	**10,481**
Sales Revenue						
Ferrous Metals	5,071	6,144	6,259	4,817	4,801	4,068
Non Ferrous Metals	1,526	1,724	1,657	1,353	1,361	1,342
Global E-Recycling	622	750	982	937	868	795
Secondary processing & other	234	229	138	86	99	106
Total	**7,453**	**8,847**	**9,036**	**7,193**	**7,129**	**6,311**

1) Underlying earnings from continuing operations; excludes significant non-recurring items and earnings from discontinued businesses

Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 20 August 2015. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

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