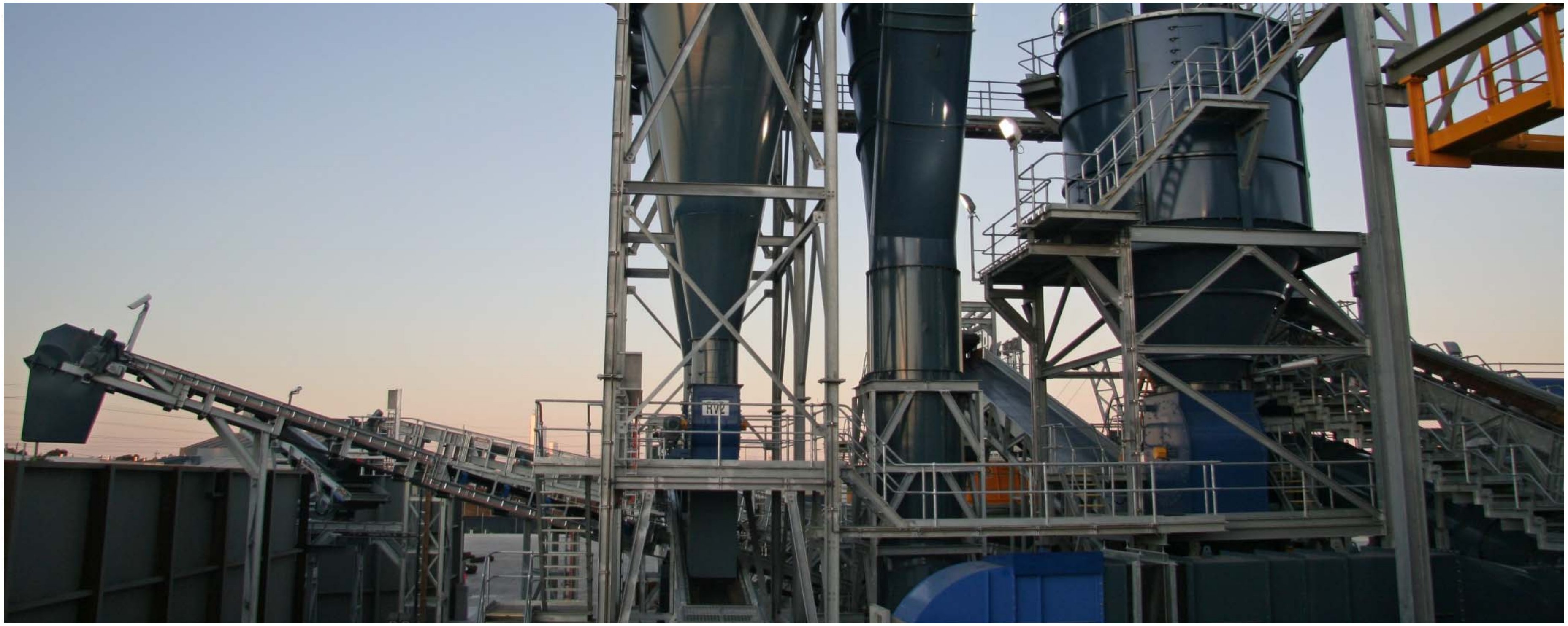


Market Update & Share Buy-back

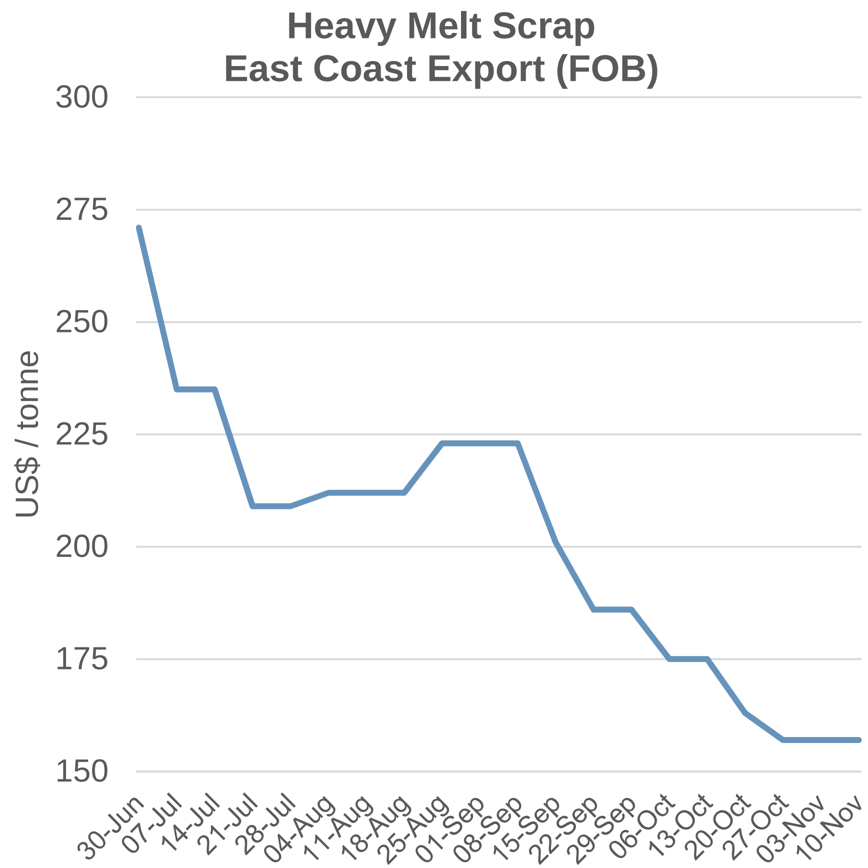
November 2015

Galdino Claro, Group CEO
Fred Knechtel, Group CFO

SIMS METAL MANAGEMENT

1H FY16 market trend

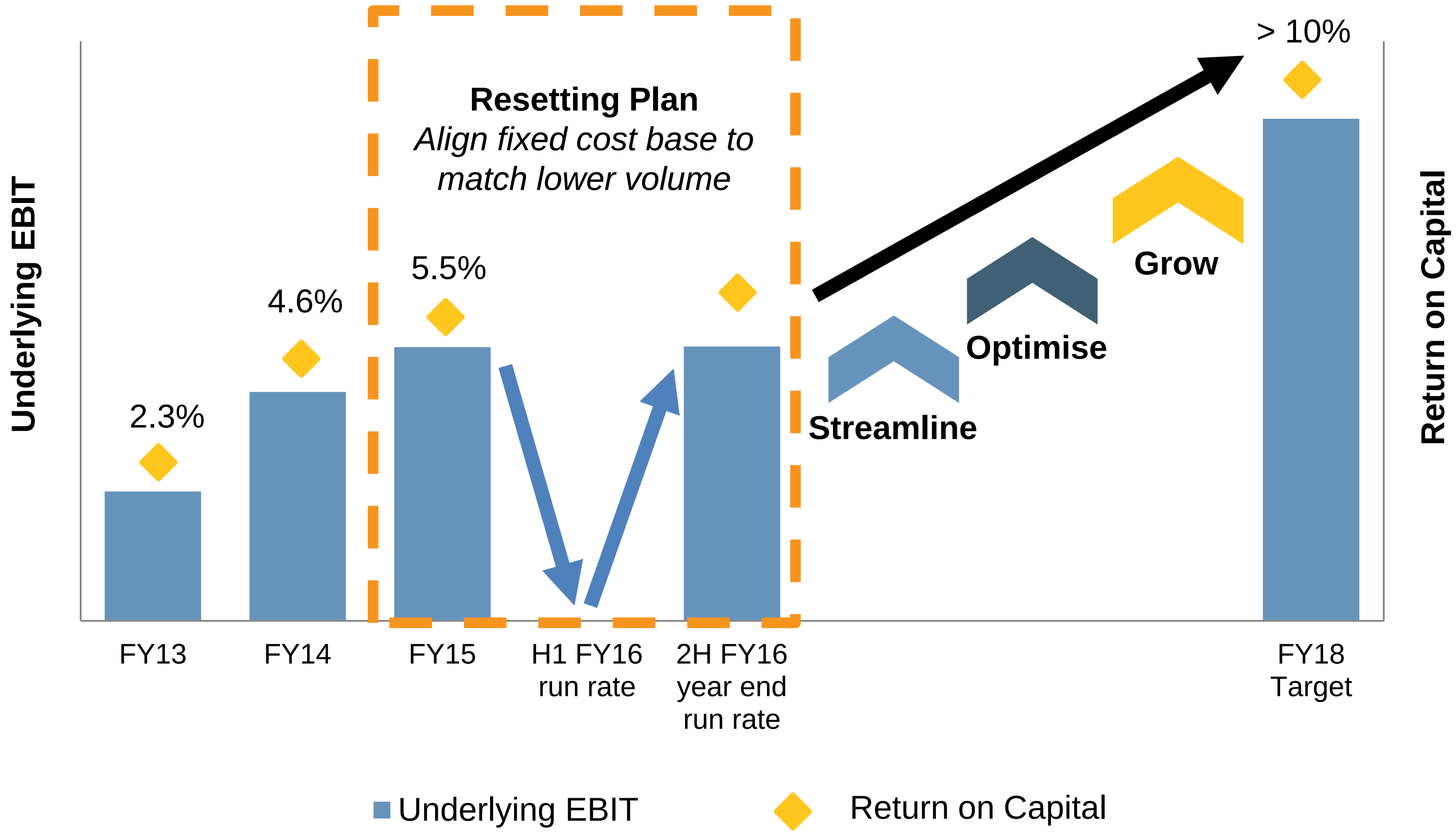
- Ferrous scrap prices fell at the start 1H FY16, then stabilised in August
- Ferrous prices subsequently fell again sharply by 30% from mid-September to November
- Copper and Aluminium prices also weakened, down 15% and 10% respectively in 1H FY16
- As a consequence of lower commodity prices, intake volumes for the first four months of 1H FY16 fell 26% versus the corresponding period
- In addition, the steep fall in prices has made managing the margin versus intake volume equation more challenging
- To address these issues, management is rapidly implementing a set of resetting actions



Lower volume requires resetting fixed costs to deliver adequate returns to shareholders

1. Source: AMM

Resetting Plan



The resetting plan with the Streamline and Optimise initiatives are, we believe, sufficient to achieve above cost of capital return by FY18

New Streamline initiatives to reset the business

- A new set of Streamline cost reduction measures are being initiated to align fixed costs and the operational footprint with lower expected volumes
- Streamline actions are developed to either improve, close or divest under-performing facilities
  - There are approximately 35 facilities (mostly feeder yards) and 800 employees (including temp employees) associated with the identified actions
- The largest portion of these initiatives will address our most challenged operations in the Central Region of North America Metals
- Several non-core facilities and properties may also be held for sale
- The majority of these initiatives will be in progress by the end of 1H FY16, and will be completed by the end of 2H FY16
- EBIT benefits from the new Streamline initiatives are expected to be fully realised in FY17

$130 million per annum in new Streamline initiatives initiated

Related significant items and impairments

- $230 million estimated in related significant items
  - Management will work to minimise restructure costs through asset improvement, asset swap or asset sale
- Less than $20 million cash cost in FY16
- Approximately 70% of total restructure cost is associated with the anticipated impairment of goodwill, intangible assets, JV's and investments, to which impairment may be mandated based on accounting standards
  - If operating performance can be improved, impairment costs could be reduced
- The remaining cost is associated with asset impairment and onerous leases

Estimated $230 million in associated impairments and costs

1. Goodwill, intangible asset and investment impairments are estimates only and will be subject to review as of 31 December 2015

FY16 earnings outlook

- 1H FY16 underlying EBIT is expected to be around break-even
- 1H FY16 statutory EBIT could be a significant loss as a result of potential asset, goodwill, and intangible impairment related to the business resetting plans
- Underlying EBIT is currently expected to improve to an annualised rate similar to the FY15 result, by the end of FY16

Strategic plan target

- Management's strategic goal remains to deliver above cost of capital returns, regardless of external conditions
- This financial goal is embedded in the strategic target to achieve 10% ROIC by FY18
- Management believes the resetting plan in combination with the further Optimise initiatives are sufficient to achieve an above cost of capital return by FY18
  - Streamline initiatives related to the resetting plan are expected to deliver annualised EBIT benefits of $130 million
  - Further Optimisation initiatives currently in progress are anticipated to be more than sufficient to deliver the balance of required earnings improvement

10% ROIC is the focus of the FY18 target

On-market share buy-back

- Sims Metal Management today announced its intention to commence an on-market buy-back program for up to 10% of the Company's issued capital over the next 12 months
- The announcement follows the successful completion of a number of recent divestments and strong free-cash flow from operations which have delivered the Company a solid balance sheet and net cash position
- The announcement also reflects the confidence management and the Board has in the outlook for the business and the attractive value of the operations at current market prices
- Based on the Company's closing share price of $7.19 on 17 November 2015, 10% of the Company's issued share capital or around 20.5 million ordinary shares would represent a buy-back program of approximately $147 million

Summary

- Extreme challenges facing the entire metal recycling industry in 1H FY16
- As a result of a rapid fall in ferrous and non-ferrous prices, intake volumes declined meaningfully since the start of the fiscal year
- Due to these pressures, 1H FY16 underling EBIT is expected to be around break-even
- New Streamline initiatives have been developed to reset the business on the expectations of a lower volume operating environment
- The new Streamline initiatives are expected to deliver EBIT benefits of $130 million per annum
- Based on the new Streamline actions in combination with the further Optimise initiatives management continues to expect to deliver a ROIC above 10% by FY18
- Supported by the net cash position, confidence in the ability to deliver on the strategic targets, and commitment to increase returns to shareholders, the Company has announced an on-market share buy-back of up to 10% of issued capital