Financial Results

Half year ended 31 December 2017

16 February 2018

ASX:SGM
USOTC:SMSMY

SIMS METAL MANAGEMENT

Agenda

- **Results Overview**
  Alistair Field, Group CEO

- **Financial Results**
  Stephen Mikkelsen, Group CFO

- **Strategic Priorities & Outlook**
  Alistair Field, Group CEO

Torch cutting former Tappan Zee Bridge - Albany, New York

1H FY18 Highlights:
Increased earnings, net cash and return on capital

Continued growth in earnings and return on capital

- Underlying EBIT of $124 million, up 60% over prior half year
- Underlying NPAT of $81 million, up 36% over prior half year
- Underlying Return on Capital[1] of 10.5%, on track to exceed full year target set in FY13

Lifting returns through internal initiatives

- $85 million in capex spent in 1H FY18, on budget with full year target
- 45% to 55% of total capex allocated to value-adding and high-return growth projects
- Internal initiatives expected to add $60 to $80 million to underlying EBIT by FY19[2]

Strong balance sheet and improved dividend

- $390 million in net cash as at 31 December 2017
- Interim dividend of 23 cents, 100% franked, up 15% over prior half year

1. Annualised Return on Capital = (Underling EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)
2. Increase over FY17 underlying EBIT

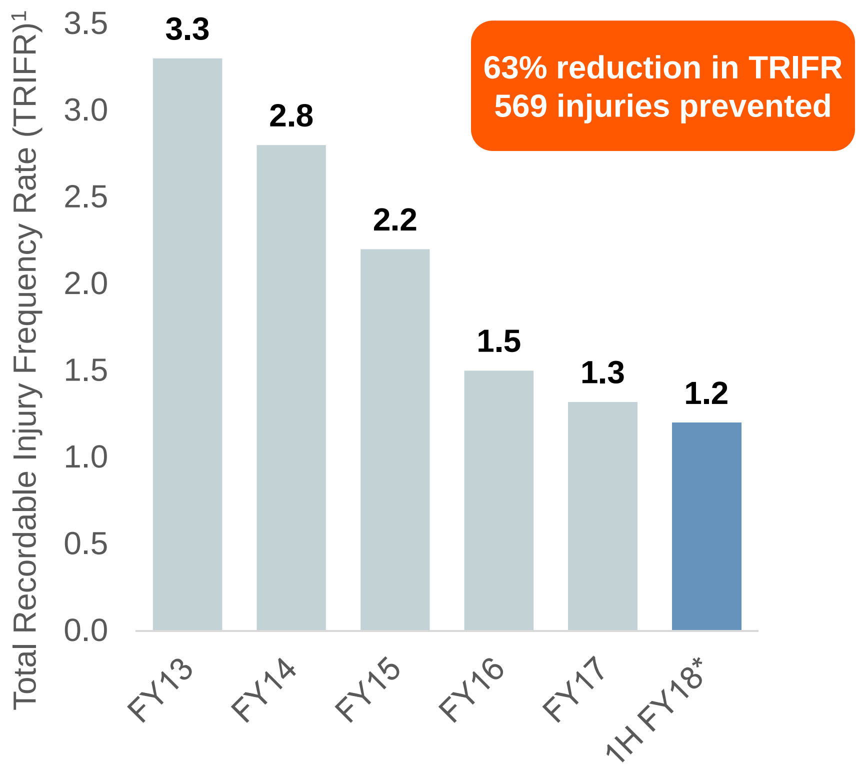
Financial Summary:
Material improvement across all key metrics

Sales Revenue **$2,977 million**	1H FY17 $2,385 million	**+25%**
Sales Volumes **4.76 million tonnes**	1H FY17 4.36 million	**+9%**
Underlying[1] EBITDA **$180 million**	1H FY17 $133 million	**+35%**
Net Cash **$390 million**	30 June 2017 $373 million	**+4%**
Underlying[1] EBIT **$124 million**	1H FY17 $77 million	**+60%**
Underlying Return on Capital[1] **10.5%**	1H FY17 6.8%	**+54%**
Underlying[1] NPAT **$81 million**	1H FY17 $60 million	**+36%**
Interim Dividend **23 cents (100% franked)**	1H FY17 20 cents (100% franked)	**+15%**

1. Underlying earnings excludes significant non-recurring items

Employee Health & Safety:
Safety remains our first priority

Safety performance

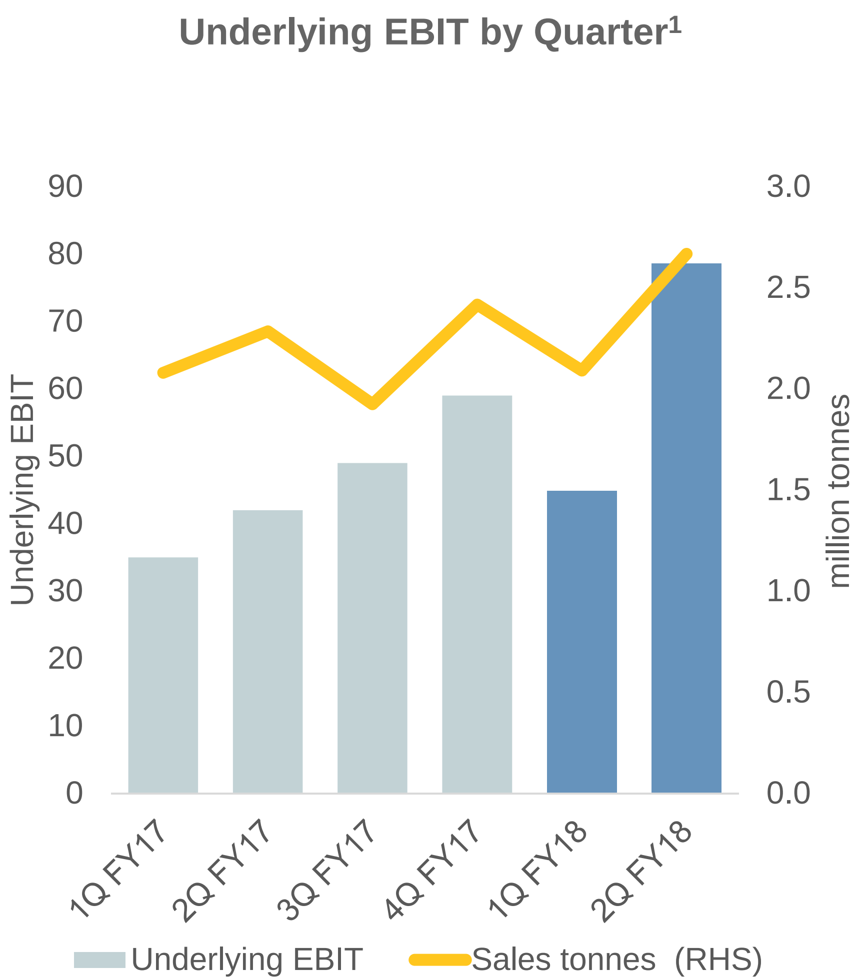


- Safety remains our most important priority
- Total recordable injuries (TRIFR) down 8% from FY17 and 63% since FY13
- Serious injuries resulting in lost time (LTIFR) have declined even further, down 40% from FY17, and 78% since FY13
- Improved safety practices have prevented the occurrence of 569 recordable injuries
- By 2020 the Company is targeting a further 30% reduction in TRIFR, with the ultimate goal of creating an incident free workplace

1. Defined as total recordable injuries x 1,000,000 divided by number of hours worked

* Annualised data

Performance by Quarter:
Internal improvements driving increased earnings leverage



- Internal improvements and operating discipline driving higher EBIT per tonne
  - 1Q FY18 EBIT was circa $10 million higher than 1Q FY17 on similar sales volumes levels
  - 2Q FY18 EBIT was the highest achieved since 2011
- Earnings growth was supported by:
  - Steadily rising ferrous & non-ferrous prices leading to wider metal spreads
  - Higher sales volumes with improving availability of intake material
  - Completion of key internal projects

1. Underlying earnings excludes significant non-recurring items

Performance by Business:
North America and ANZ Metals leading earnings growth

North America Metals

- Underlying EBIT of $65 million, up 112%
- Sales volume growth of 12% over the prior half-year, driven by strong export sales up 31%
- Intake volumes rising supported by higher prices and broader based economic activity in the US
- Rising volumes and higher metal prices supported wider metal margins across the supply chain
- Meaningfully improved contribution from JV partners with underlying EBIT of $27 million, up 137%

Australia & New Zealand Metals

- Underlying EBIT of $44 million, up 71%
- Sales volume growth of 3%, despite high prior half-year base
- Intake volumes rose a more meaningful 13%, due to continued robust economic activity and improved collection economics from rising metal prices
- Improved metal margins assisted by a positive sales mix towards non-ferrous volumes

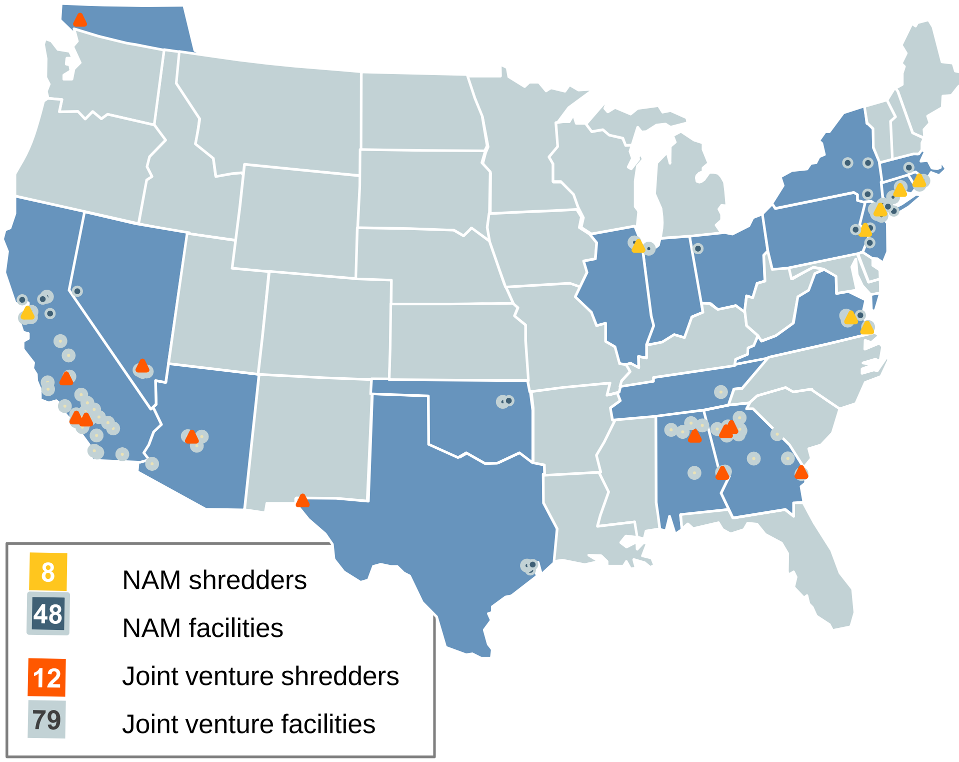
Europe Metals

- Underlying EBIT of $13 million, down 20%
- Sales volume growth of 6%, supported by new deep-sea port facility in Southeast UK, opened in 1H FY18
- Stronger sales volumes were more than offset by lower metal margins
- 1H FY18 also included a small adverse impact from two ferrous cargo sales pushed into 2H FY18

Global E-Recycling

- Underlying EBIT of $7 million, down 41%
- Better performance in the US, boosted by cost reductions and benefits from recent operational restructure
- More than offset by negative margin pressure in Continental Europe

Joint Venture Performance:
Leveraging the strengths of our joint venture partnerships



Joint Ventures (NA Metals)	1H FY17	1H FY18	Chg %
Sales volumes ('000 tonnes)	1,288	1,607	24.8
Equity accounted income (EBIT)	11.4	27.2	137.3

- North America Metals JV's:
  - SA Recycling: 74 facilities
  - Richmond Steel Recycling: 4 facilities
  - Rondout Iron & Metal: 1 facility
- Partnerships create national coverage across 18 US states and the west coast of Canada
- Active strategy to combine the global marketing, operational, and financial strength of Sims Metal Management with the commercial, operational, and local relationship capabilities of our JV partners
- Synergies created through joint knowledge sharing and asset combinations
- JV's equity accounted income improved 137% over the prior half-year due to a significant increase in sales volumes and disciplined operational management

Positioned for Tomorrow

Financial Results

Stephen Mikkelsen, Group CFO

SIMS METAL MANAGEMENT

Group Financial Performance:
Earnings leverage driving significantly improved earnings

A$m	1H FY17	1H FY18	% Chg
Sales revenue	2,384.7	2,977.0	24.8%
Statutory EBITDA	153.3	178.6	16.5%
Underlying EBITDA	132.9	179.7	35.2%
Statutory EBIT	97.4	122.4	25.7%
Underlying EBIT	**77.0**	**123.5**	**60.4%**
Statutory NPAT	80.0	91.5	14.4%
Significant items	20.0	(10.2)	NMF
Underlying NPAT	**60.0**	**81.3**	**35.5%**
Statutory EPS (dilutive)	40.2	44.8	11.4%
Underlying EPS (dilutive)	**30.1**	**39.8**	**32.2%**
Dividend per share (cents)	20.0	23.0	15.0%
Total Invested Capital	1,583.7	1,640.4	3.6%
Underlying ROC[1]	**6.8%**	**10.5%**	**54.4%**

- Sales revenue increased 25% due to stronger sales volumes and higher commodity prices
- Underlying EBITDA increased 35%, driven by increased sales volumes and disciplined cost management
- Underlying EBIT of $124 million improved 60% over the prior half-year
- Actual 1H FY18 underlying tax rate of 31%
- Pro-forma 1H FY18 underlying tax rate of 25%, based on recent US tax reform
- Underlying NPAT of $81 million, up 36%
- Underlying EPS of 40 cents, up 32%
- Significant items related primarily to a positive benefit from recent US tax reform legislation
- Dividend of 23 cents, up 15% and 100% franked
- Underlying ROC of 10.5%, on track to exceed full year target set in FY13

1. Annualised Return on Capital = (Underling EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)

Business Segment EBIT and Volumes:
Improvement across both sales and intake volumes

Underlying EBIT (A$m)	1H FY17	1H FY18	Chg %
North America Metals	30.7	65.0	111.7
ANZ Metals	25.9	44.2	70.7
Europe Metals	15.8	12.6	(20.3)
Global E-Recycling	11.1	6.5	(41.4)
Corporate & Unallocated	(6.5)	(4.8)	26.2
Underlying EBIT	**77.0**	**123.5**	**60.4**

Sales volumes ('000 tonnes)	1H FY17	1H FY18	Chg %
North America Metals	2,735	3,059	11.8
ANZ Metals	862	891	3.4
Europe Metals	763	811	6.3
Sales volumes	**4,360**	**4,761**	**9.2**

Intake volumes ('000 tonnes)	1H FY17	1H FY18	Chg %
North America Metals	2,614	3,184	21.8
ANZ Metals	781	883	13.1
Europe Metals	730	826	13.2
Intake volumes	**4,125**	**4,893**	**18.6**

- North America Metals underlying EBIT of $65 million, up 112%
  - 12% higher sales volumes and improved metal spreads assisted by rising metal prices
- ANZ Metals underlying EBIT of $44 million, up 71%
  - 3% improvement in sales volumes included a positive mix towards non-ferrous volumes
- Europe Metals underlying EBIT of $13 million, declined 20%
  - 6% lift in sales volumes more than offset by lower metal margins
- E-Recycling underlying EBIT of $7 million, declined 41%
  - Negatively impacted by margin pressure in Europe, partially offset by higher US earnings
- Sales and intake volumes improved 9% and 19% respectively
  - Intake outpaced sales volumes in 1H FY18 by 132kt; surplus volume to be sold in 2H FY18

Product Segment Sales Volumes & Revenue: *Strong growth in ferrous metals*

Sales volumes ('000 tonnes)	1H FY17	1H FY18	Chg %
Ferrous Trading	3,505	3,749	7.0
Ferrous Brokerage	628	786	25.2
Non Ferrous Trading	227	226	(0.4)
Sales volumes	**4,360**	**4,761**	**9.2**

Sales revenue (A$ million)	1H FY17	1H FY18	Chg %
Ferrous Trading	1,266	1,634	29.1
Ferrous Brokerage	196	328	67.3
Non Ferrous Trading	525	603	14.9
Other[1]	398	412	3.5
Sales revenue	**2,385**	**2,977**	**24.8**

Sales by Product

- Ferrous Trading and Brokerage volumes both significantly improved over the prior half year
- Demand and supply of ferrous scrap metal has significantly improved
  - Declining steel exports from China has opened up demand from global EAF steelmakers
  - Increased attractiveness of ferrous scrap as a raw material relative to iron ore
  - Rising commodity prices stimulating collection of end-of-life, unprocessed raw material supply
- Non-ferrous sales volumes were flat over the prior year
  - Includes an 18kt impact of exiting the stainless steel business in FY17
  - Excluding this impact, non-ferrous volumes improved 11%
- Export sales represented 77% of total sales volumes in 1H FY18, up from 70% in 1H FY17

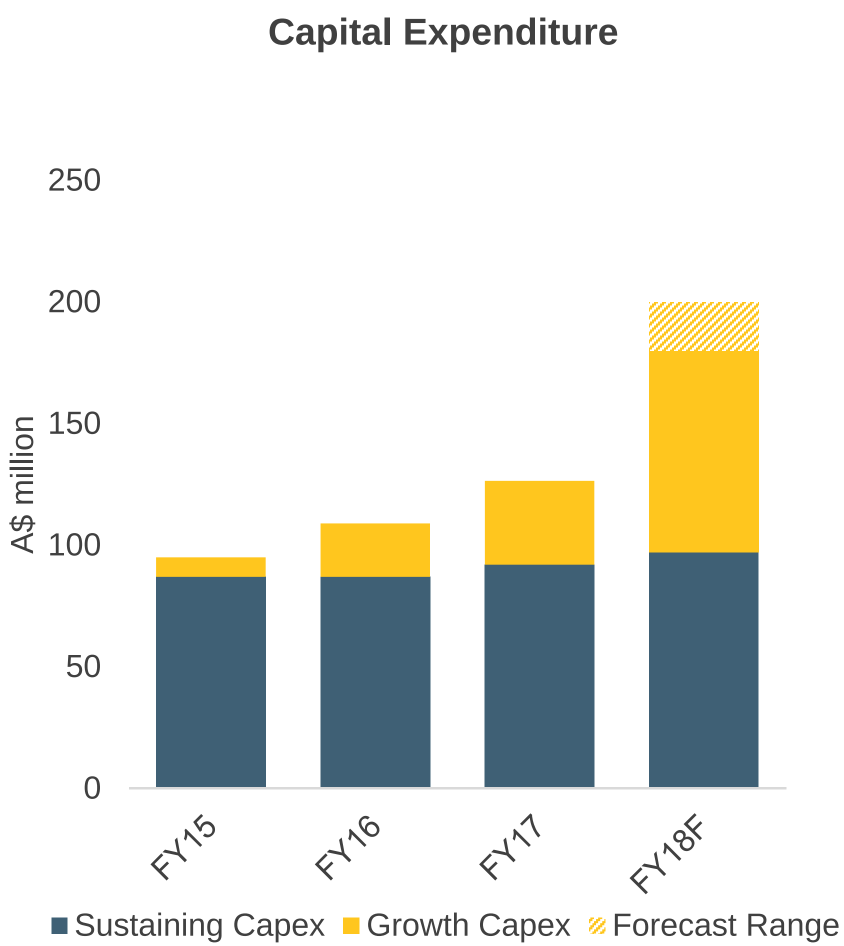
1. Other revenue includes E-Recycling, Sims Municipal Recycling, and other secondary services

Cash Flow Statement:
Strong operating cash flow driving positive free cash flow

A$m	1H FY17	1H FY18
Underlying EBITDA	132.9	179.7
Change in working capital	23.2	(11.1)
Interest and tax	(17.4)	(30.9)
Equity result net of dividends received	(9.8)	(20.1)
Other non-cash items	(14.9)	13.6
Operating cash flow	**114.0**	**131.2**
Capital expenditure	(67.9)	(84.7)
Payments for acquisitions	-	(1.4)
Proceeds from asset sales	55.5	8.6
Other cash flow from investing	0.1	(0.9)
Free cash flow	**101.7**	**52.8**
Dividends paid	(23.7)	(60.3)
Share buy-back	(13.4)	-
Other cash flow from financing	4.1	23.1
Cash flow	**68.7**	**15.6**

- Operating cash flow of $131 million, up 15%
  - Meaningfully improved operating cash flow driven by higher underlying EBITDA
  - Increase in net operating cash flow notwithstanding increases in taxes paid and working capital
- Capex of $85 million, up 25%
  - Higher spending on strategic growth oriented internal initiatives over the prior half-year
  - Key projects include large-scale non-ferrous metal recovery plants in New Jersey and Chicago, as well as new zorba separation and copper upgrading technology in the US
- Free cash flow of $53 million
  - Free cash flow remained strong despite higher expansionary capex
  - Prior comparable half-year included one-time gain from sale of land and other non-core assets
- $60 million in dividends paid during 1H FY18

Capital Expenditure:
Directing capital spending to internal growth initiatives



- Net cash balance of $390 million as of 31 December 2017 to support healthy pipeline of internal initiatives
- 1H FY18 capex of $85 million expected to accelerate in 2H FY18
- Forecast total capex of $180 million to $200 million in FY18
- Growth capex expected to be between 45% to 55% of total capex in FY18
- Capital spending focused on internal projects, with well understood risk and delivery parameters, and attractive expected returns greater than cost of capital

Dividend & Shareholder Returns:
Dedicated to improving shareholder capital returns

Near-Term:
Strong balance sheet supports higher dividend

- Interim dividend of 23 cents per share declared
  - 100% franked, record date of 14 March 2018, with a payment date of 28 March 2018
- Interim dividend at 58% payout ratio
  - Slightly above typical guidance range of 45% to 55% (of underlying EPS)
- Higher payout ratio reflects the Company's strong balance sheet and improving operating performance

Long-Term:
Sustainable capital management strategy

1) Establish Capital Plan

- Establish budget for medium-term capital requirements to sustain and grow the business

2) Long-term Funding Structure

- Determine the appropriate balance sheet requirements for cash or debt, which sustains the business and prudently manages risk through commodity cycles

3) Sustainable Capital Distribution Strategy

- Determine the most efficient strategy to return excess capital to shareholders, through a mix of dividends and share buy-backs

Positioned for Tomorrow

Strategic Priorities & Outlook

Alistair Field, Group CEO

Strategic Priorities:
Investment in technology, processes, and people

Accelerate Internal Investments

- Prioritisation of metallic yield enhancing and customer focused projects
- Zorba separation plant in New Jersey complete, with other major projects on schedule and budget

Accelerate Internal Investments

- Standardisation of processes for efficiency, robustness, and risk mitigation
- Greater formalisation of roles and responsibilities increasing ownership and accountability

Focus on People, Culture and Leadership

- Leadership team strengthened with key hires across the group in finance, operations, human resources, and technology
- Training & development programs upgraded

Establish Continuous Improvement

- Embed continuous improvement methodology and enhance internal systems & practices that will support the ability to grow

Plan & Invest for Long-term Growth

- Improve & grow in metals recycling and investigate opportunities to expand municipal recycling, renewable energy, and other related areas
- Re-investing capital into metals recycling businesses and complementary bolt-on acquisitions

Internal Investments & Capital Projects:
Prioritising and accelerating internal investments

Operations
- Non-ferrous material recovery plant (MRP) upgrades in Jersey City and Chicago
- Installation of multiple copper wire chopping plants across the US, UK, and Australia

Logistics
- Opened new deep-sea port at Sheerness in the Southeast UK market

Technology
- Advanced material upgrading systems for zorba, designed and installed in Jersey City
- Investing in internal information systems to better manage and utilise available data

Processes
- Financial shared services and back office efficiency improvements
- Maximisation of central procurement opportunities

Initiatives expected to deliver an additional \$60 million to \$80 million in EBIT by FY19[1]

1. Increase over FY17 underlying EBIT

Summary:
Outlook positive; internal investment & external market growth

1H FY18 Highlights

- Underlying EBIT of $124 million, significantly higher than $77 million in the prior half-year
- Underlying Return on Capital of 10.5%, exceeding the five-year target set in FY13
- Interim dividend of 23 cents, 100% franked

Near-term strategic priorities for internal investment

- Accelerating the delivery of value accretive internal projects
- Strengthening internal functions and processes
- Investigate options for disciplined growth in metals recycling and complementary businesses

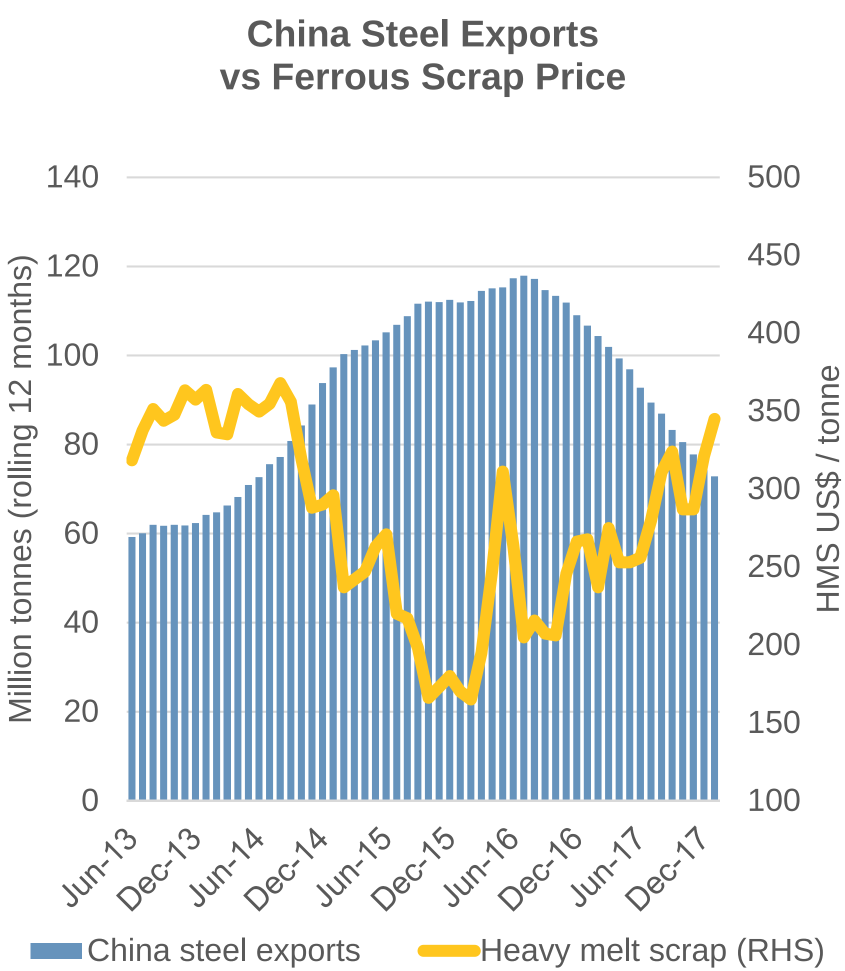
Outlook is positive on near-term prices and long-term structural market change

1. Long-term: China's commitment to reduce pollution is expected be a significant structural benefit
2. Near-term: Higher demand for secondary metal is already driving higher volumes and margins
3. Significant room for volume growth in North America; collection rates still >20% below mid-cycle

Based on current market conditions and internal initiatives,
full year FY18 underlying return on capital is expected to remain above 10%

Appendix

Declining steel exports from China, lifting ferrous scrap demand & prices



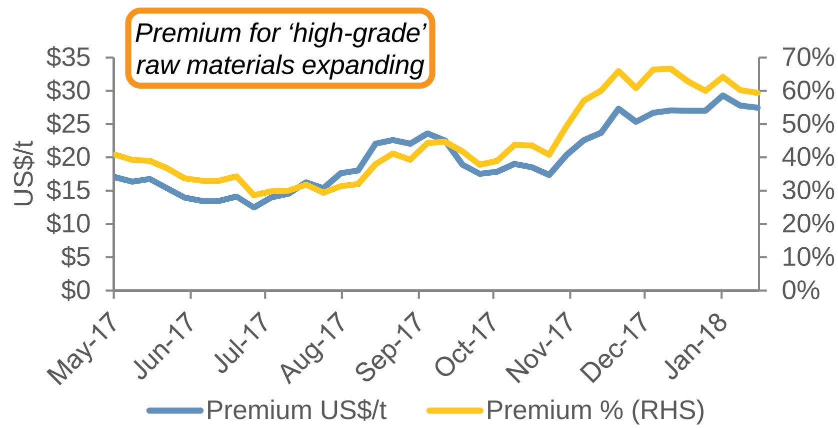
- China's exports of steel have been declining since mid-2016
  - China's annual steel exports have fallen ~40% since July 2016
  - Lower exports are supporting higher steel production outside China, and increased demand and prices for ferrous scrap
- China announced steelmaking capacity reduction target of 150 million tonnes over 2015 by 2020
  - Total implied capacity reduction of ~10% to 15%
  - 115 million tonnes of steel making capacity already closed in 2016 and 2017
  - Further 35 million tonnes of capacity expected to be closed over 2018-2020

Source: Bloomberg, AMM

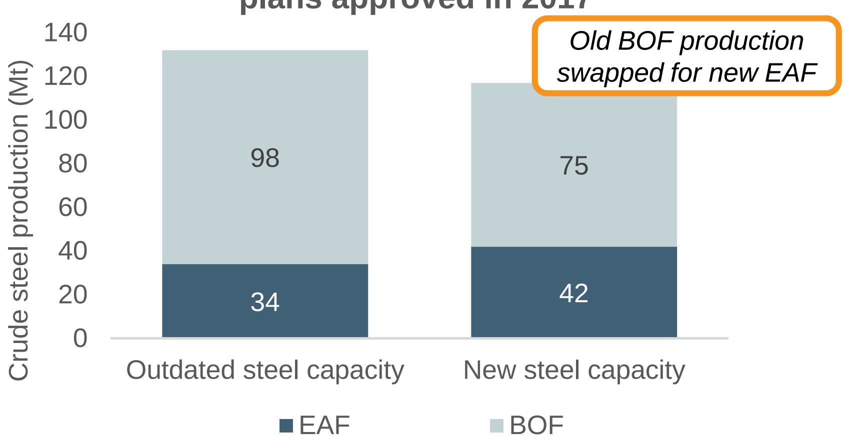
Pollution control in China is driving higher demand for ferrous scrap

- Desire to reduce carbon emissions is driving premiums for high grade iron ore and greater use of ferrous scrap
- China Association of Metal Scrap Utilisation expect ferrous scrap used in steel production could rise from 11% to 20% in BOFs and from 50% to 80% in EAFs
- Wood MacKenzie and McKinsey have indicated potential significant shift from BOF to EAF steel production in China

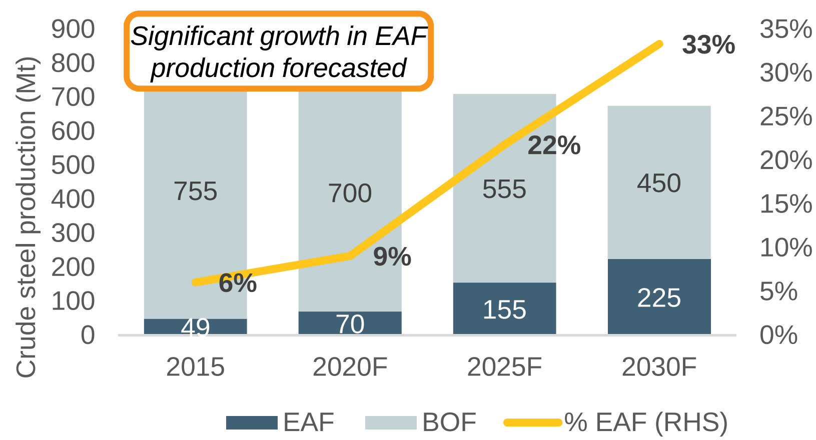
Premium for 62% vs 58% iron ore



Announced Chinese steel capacity swap plans approved in 2017

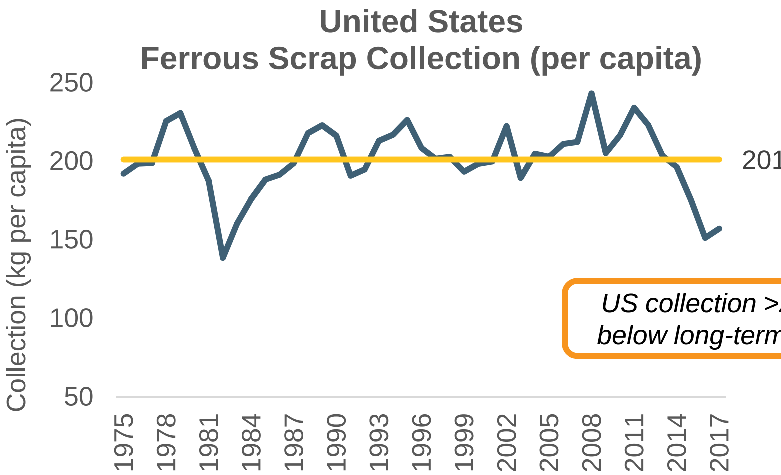


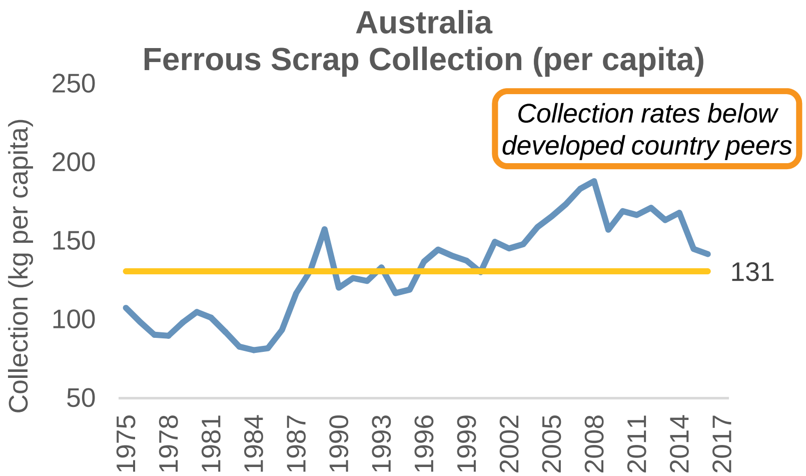
China EAF vs BOF Production

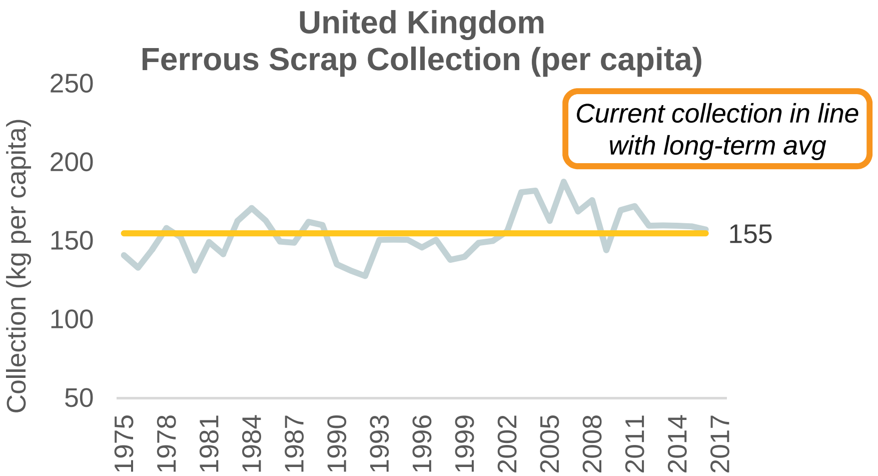


Significant room for higher scrap collection in the US

- US ferrous collection rates remains 20% below long-term averages, highlighting significant room for further growth
- Australia's collection rates remain below other developed country peers, suggesting potential longer-term structural growth
- UK collection rates currently in line with longer-term averages







Group Profit & Loss

A$m	1H FY17	1H FY18	Chg %
Sales revenue	2,384.7	2,977.0	24.8
Statutory EBITDA	153.3	178.6	16.5
Underlying EBITDA	132.9	179.7	35.2
Statutory EBIT	97.4	122.4	25.7
Underlying EBIT	77.0	123.5	60.4
Net Interest expense	(5.0)	(4.4)	(12.0)
Statutory tax expense	(12.4)	(26.5)	113.7
Underlying tax expense	(12.0)	(37.8)	215.0
Statutory NPAT	80.0	91.5	14.4
Significant items	(20.0)	(10.2)	49.0
Underlying NPAT	60.0	81.3	35.5
Statutory EPS (dilutive)	40.2	44.8	11.4
Underlying EPS (dilutive)	30.1	39.8	32.2
Dividend per share (cents)	20.0	23.0	15.0

North America Metals

A$m	1H FY17	1H FY18	Chg %
Sales Revenue	1,111.0	1,515.7	36.4
Statutory EBITDA	81.4	95.7	17.6
Underlying EBITDA	61.7	96.0	55.6
Depreciation	26.6	27.1	1.9
Amortisation	4.4	3.9	(11.4)
Statutory EBIT	50.4	64.7	28.4
Underlying EBIT	30.7	65.0	111.7
Assets	1,202.8	1,177.5	(2.1)
Intake Volumes (000's)	2,614	3,184	21.8
Sales Volumes (000's)	2,735	3,059	11.8
Employees	1,683	1,826	8.5

Australia & New Zealand Metals

A$m	1H FY17	1H FY18	Chg %
Sales Revenue	491.6	529.0	7.6
Statutory EBITDA	39.5	57.5	45.6
Underlying EBITDA	39.9	58.9	47.6
Depreciation	13.8	14.6	5.8
Amortisation	0.2	0.1	(50.0)
Statutory EBIT	25.5	42.8	67.8
Underlying EBIT	25.9	44.2	70.7
Assets	534.1	545.9	2.2
Intake Volumes (000's)	781	883	13.1
Sales Volumes (000's)	862	891	3.4
Employees	701	714	1.9

Europe Metals

A$m	1H FY17	1H FY18	Chg %
Sales Revenue	414.9	542.0	30.6
Statutory EBITDA	22.1	22.8	3.2
Underlying EBITDA	22.1	18.8	(14.9)
Depreciation	6.3	6.2	(1.6)
Amortisation	0.0	0.0	-
Statutory EBIT	15.8	16.6	5.1
Underlying EBIT	15.8	12.6	(20.3)
Assets	256.0	338.1	32.1
Intake Volumes (000's)	730	826	13.2
Sales Volumes (000's)	763	811	6.3
Employees	642	674	5.0

Global E-Recycling

A$m	1H FY17	1H FY18	Chg %
Sales Revenue	353.9	365.0	3.1
Statutory EBITDA	17.0	11.6	(31.8)
Underlying EBITDA	15.4	10.6	(31.2)
Depreciation	4.3	4.1	(4.7)
Amortisation	0.0	0.0	-
Statutory EBIT	12.7	7.5	(40.9)
Underlying EBIT	11.1	6.5	(41.4)
Assets	392.5	402.5	2.5
Employees	1,428	1,451	1.6

Corporate & Unallocated

A$m	1H FY17	1H FY18	Chg %
Sales Revenue	13.3	25.3	90.2
Statutory EBITDA	(6.7)	(9.0)	(34.3)
Underlying EBITDA	(6.2)	(4.6)	25.8
Depreciation	0.3	0.2	(33.3)
Amortisation	0.0	0.0	-
Statutory EBIT	(7.0)	(9.2)	(31.4)
Underlying EBIT	(6.5)	(4.8)	26.2
Assets	270.7	356.2	31.6
Employees	85	97	14.1

1H FY18 income tax expense considerations

A$m	Profit Before Tax	Income Tax Expense	Effective Tax %
Statutory Result	**118.0**	**26.5**	**22.5**
Reconciling items:			
Impact from US Tax Reform		9.8	
Underlying Results		**36.3**	**30.8**

Significant items by region – 1H FY18

1H FY18 (A$m)	NA Metals	ANZ Metals	Europe Metals	Global E-Recycling	Unallocated	Pre-Tax Total	After-Tax Total
Reversal of fixed asset impairment	-	-	-	(0.6)	-	(0.6)	(0.6)
Net benefit relating to lease settlements / onerous leases	-	-	(4.0)	(0.4)	-	(4.4)	(3.7)
Yard closure costs and dilapidation provisions, net	-	0.8	-	(0.1)	-	0.7	0.5
Redundancies	0.3	0.6	-	0.1	4.4	5.4	3.4
Impact from US tax reform	-	-	-	-	-	-	(9.8)
Significant Items for 1H FY18	**0.3**	**1.4**	**(4.0)**	**(1.0)**	**4.4**	**1.1**	**(10.2)**

Significant items by region – 1H FY17

1H FY17 (A$m)	NA Metals	ANZ Metals	Europe Metals	Global E-Recycling	Unallocated	Pre-Tax Total	After-Tax Total
Reversal of fixed asset impairment	(0.9)	-	-	(1.4)	-	(2.3)	(1.8)
Gain on sale of property	(24.3)	-	-	-	-	(24.3)	(24.3)
Yard closure costs and dilapidation provisions	1.8	0.2	-	-	-	2.0	2.0
Redundancies	2.5	0.1	-	0.1	0.5	3.2	3.1
Net expenses relating to lease settlements / onerous leases	0.2	0.1	-	(0.3)	-	-	-
Other	1.0	-	-	-	-	1.0	1.0
Significant Items for 1H FY17	**(19.7)**	**0.4**	**-**	**(1.6)**	**0.5**	**(20.4)**	**(20.0)**

Financial summary – Group

A$m	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	1H FY17	1H FY18
Group Results										
Sales Revenue	7,453	8,847	9,036	7,193	7,129	6,311	4,652	5,079	2,385	2,977
Underlying EBITDA	379	414	253	190	242	263	184	295	133	180
Underlying EBIT	235	283	123	67	119	142	58	182	77	124
Underlying NPAT	**127**	**182**	**74**	**17**	**69**	**102**	**38**	**120**	**60**	**81**
Underlying EPS (cents)	65	88	36	8	34	49	19	60	30	40
Dividend (cents)	33	47	20	0	10	29	22	50	20	23
Balance Sheet										
Total Assets	4,233	4,167	3,509	2,917	2,649	2,882	2,571	2,743	2,656	2,820
Total Liabilities	959	1,256	1,225	988	816	769	738	775	762	790
Total Equity	3,274	2,912	2,284	1,929	1,834	2,113	1,833	1,968	1,894	2,030
Net Cash (Net Debt)	**15**	**-126**	**-292**	**-154**	**42**	**314**	**242**	**373**	**311**	**390**
Cash Flows										
Operating Cash Flow	-48	159	290	297	210	298	131	266	114	131
Capital Expenditure	-121	-143	-161	-149	-64	-95	-109	-127	-68	-85
Free Cash Flow[1]	**-168**	**16**	**129**	**148**	**146**	**203**	**22**	**139**	**46**	**53**
NOPAT	165	198	86	47	83	99	41	128	54	86
Total Capital	3,259	3,038	2,576	2,083	1,792	1,799	1,590	1,595	1,583	1,640
ROC[2] (%)	**5.0%**	**6.5%**	**3.3%**	**2.3%**	**4.6%**	**5.5%**	**2.6%**	**8.0%**	**6.8%**	**10.5%**

1) Free Cash Flow = Operating Cash Flow - Capex
2) Return on Capital = (Underling EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)

Financial summary – Segment

A$m	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	1H FY17	1H FY18
Sales Revenue										
North America Metals	4,834	5,782	5,773	4,256	3,996	3,417	2,353	2,418	1,111	1,516
ANZ Metals	1,126	1,300	1,190	1,047	1,188	1,053	744	981	492	529
Europe Metals	783	954	1,056	935	1,063	1,037	759	924	415	542
Global E-Recycling	622	750	982	937	868	795	793	727	354	365
Unallocated	88	61	35	18	14	9	3	29	13	25
Total	**7,453**	**8,847**	**9,036**	**7,193**	**7,129**	**6,311**	**4,652**	**5,079**	**2,385**	**2,977**
Underlying EBITDA										
North America Metals	182	175	51	94	75	81	76	136	62	96
ANZ Metals	83	107	80	72	107	87	67	91	40	59
Europe Metals	25	28	15	-2	29	37	32	48	22	19
Global E-Recycling	87	112	92	24	20	55	19	28	15	11
Unallocated	2	-8	15	2	11	3	-10	-8	-6	-5
Total	**379**	**414**	**253**	**190**	**242**	**263**	**184**	**295**	**133**	**180**
Underlying EBITDA Margin (%)										
North America Metals	3.8%	3.0%	0.9%	2.2%	1.9%	2.4%	3.2%	5.6%	5.6%	6.3%
ANZ Metals	7.4%	8.2%	6.7%	6.9%	9.0%	8.3%	9.0%	9.3%	8.1%	11.2%
Europe Metals	3.2%	2.9%	1.4%	-0.2%	2.7%	3.6%	4.3%	5.2%	5.3%	3.5%
Global E-Recycling	14.0%	14.9%	9.4%	2.6%	2.3%	6.9%	2.4%	3.9%	4.2%	3.0%
Total	**5.1%**	**4.7%**	**2.8%**	**2.7%**	**3.4%**	**4.2%**	**4.2%**	**5.8%**	**5.6%**	**6.0%**

Financial summary – Segment (cont.)

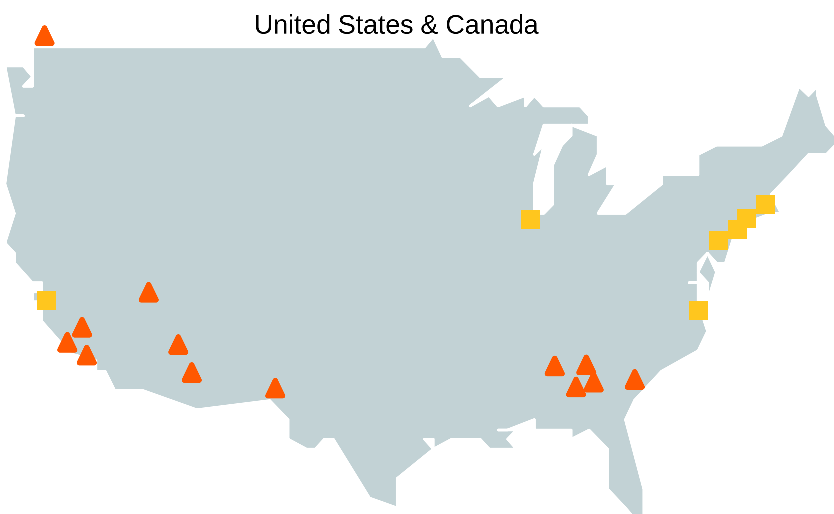
A$m	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	1H FY17	1H FY18
Sales tonnes (‘000)										
North America Metals	9,906	10,964	11,080	9,377	8,152	7,018	5,772	5,454	2,735	3,059
ANZ Metals	1,578	1,764	1,765	1,764	2,054	1,874	1,418	1,656	862	891
Europe Metals	1,394	1,466	1,651	1,645	1,609	1,589	1,361	1,590	763	811
Total	**12,878**	**14,194**	**14,496**	**12,786**	**11,815**	**10,481**	**8,551**	**8,700**	**4,360**	**4,761**
Underlying EBIT										
North America Metals	92.7	99.6	(18.7)	32.8	11.7	11.8	2.3	72.4	30.7	65.0
ANZ Metals	62.4	86.1	56.3	46.9	79.2	59.2	39.7	62.7	25.9	44.2
Europe Metals	15.8	18.8	4.1	(14.0)	16.5	24.6	18.6	35.4	15.8	12.6
Global E-Recycling	62.9	87.7	67.8	(1.0)	-	44.0	7.6	20.0	11.1	6.5
Unallocated	1.2	(8.8)	13.3	2.2	11.1	2.1	(10.2)	(8.1)	(6.5)	(4.8)
Total	**235.0**	**283.4**	**122.8**	**66.9**	**118.5**	**141.7**	**58.0**	**182.4**	**77.0**	**123.5**
EBIT / tonne (A$/t)										
North America Metals	9.36	9.08	-1.69	3.50	1.44	1.68	0.40	13.27	11.22	21.25
ANZ Metals	39.54	48.81	31.90	26.59	38.56	31.59	27.93	37.86	30.05	49.61
Europe Metals	11.33	12.82	2.48	(8.51)	10.25	15.48	13.74	22.26	20.71	15.54
Total	**13.27**	**14.41**	**2.88**	**5.14**	**9.09**	**9.12**	**7.09**	**19.60**	**16.61**	**25.94**

Financial summary – Segment (cont.)

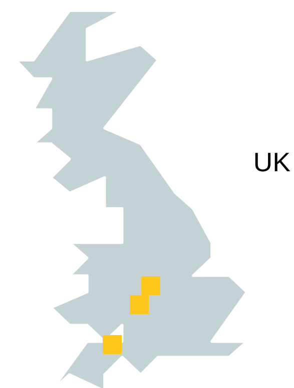
A$m	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	1H FY17	1H FY18
Sales tonnes ('000)										
Ferrous Trading	9,068	10,115	10,320	9,396	9,331	8,325	6,768	7,009	3,505	3,749
Ferrous Brokerage	3,264	3,518	3,597	2,840	1,918	1,617	1,307	1,237	628	786
Non Ferrous	565	571	586	550	566	539	476	454	227	226
Total	**12,897**	**14,204**	**14,503**	**12,786**	**11,815**	**10,481**	**8,551**	**8,700**	**4,360**	**4,761**
Sales Revenue										
Ferrous Metals	5,071	6,144	6,259	4,817	4,801	4,068	2,703	3,136	1,462	1,962
Non Ferrous Metals	1,526	1,724	1,657	1,353	1,361	1,342	1,055	1,124	525	603
Global E-Recycling	622	750	982	937	868	795	793	727	354	365
Secondary processing & other	234	229	138	86	99	106	101	92	44	47
Total	**7,453**	**8,847**	**9,036**	**7,193**	**7,129**	**6,311**	**4,652**	**5,079**	**2,385**	**2,997**

Metals Recycling global footprint

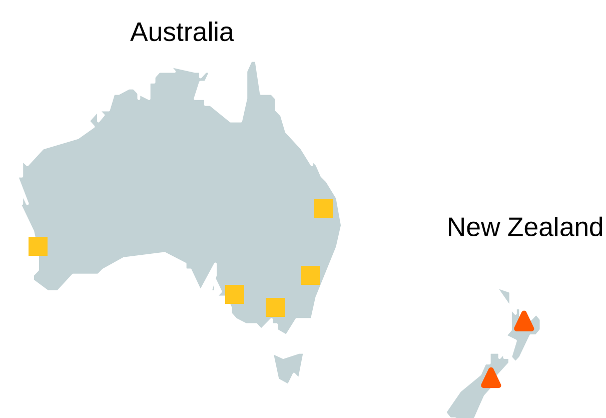
North America Metals



Europe Metals



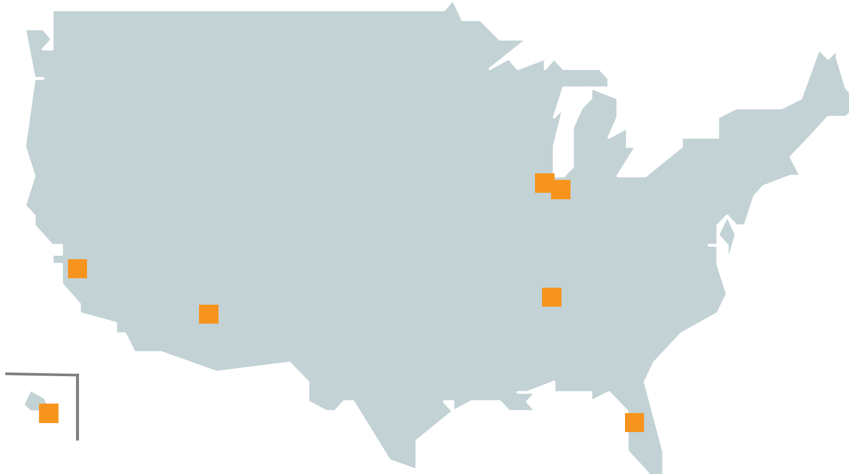
Australia & New Zealand Metals



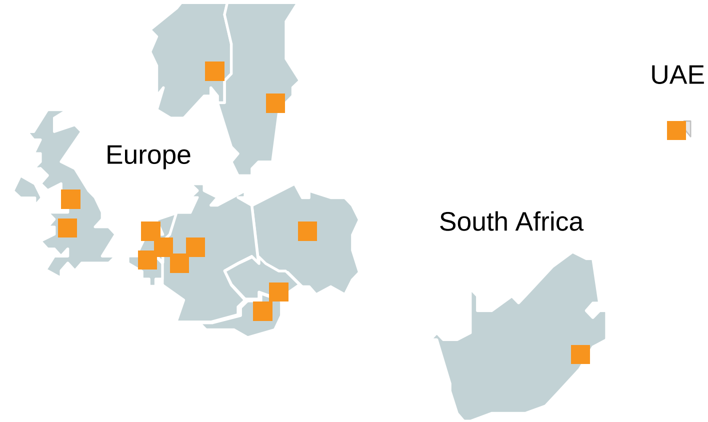
- ■ Metal Shredder (100% owned)
- ▲ Metal Shredder (50% JV owned)

Electronics Recycling global footprint

North America



Europe, Africa, and Middle East



Asia Pacific

■ Electronics Recycling facility

Disclaimer

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