



ASX & MEDIA RELEASE

(ASX: SGM, USOTC: SMSMY)

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1Q FY19 Trading Update

Sims Metal Management Limited (the “Company”) today announced, based on current market conditions, it expects underlying EBIT to be between \$58 million and \$63 million for 1Q FY19. This result would be a significant improvement over 1Q FY18 underlying EBIT of \$45 million, but less than 4Q FY18.

The Company’s wholly-owned operations are performing to expectation during 1Q FY19 with combined underlying EBIT broadly consistent with 4Q FY18. However, equity accounted income in the Company’s 50% joint venture, SA Recycling, LLC (“SAR”), is expected to be between \$10 million and \$15 million lower than 4Q FY18.

Two main issues are driving SAR’s lower than anticipated earnings in the current quarter.

Firstly, while intake volumes for 1Q FY19 are higher than 1Q FY18, they are lower than 4Q FY18, and lower than expected. Trading volatility within, and between, quarters is not unusual, and it does not inevitably lead to a full year impact. A number of initiatives are being pursued to increase volumes in SAR’s catchment areas over the balance of FY19.

Secondly, Zorba sales have posed a challenge to SAR in the current market. To counteract this, SAR has commenced installing upgraded equipment, enabling it to produce a higher quality Zorba, which will assist in facilitating sales in the current market. The equipment is expected to be operational before 31 December 2018.

A further update on trading conditions and outlook will be provided at the Company’s 2018 Annual General Meeting on 8 November 2018.

About Sims Metal Management

Sims Metal Management is one of the world's largest metal and electronics recyclers with over 250 facilities, including joint ventures operations, in 18 countries, and more than 5,000 employees globally. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares are quoted 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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