

# Financial Results for the Full Year Ended 30 June 2012

**Sims Metal Management Limited**

ASX Code: SGM

NYSE Code: SMS

Supplemental Information

23 August 2012



# Disclaimer

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This presentation may contain forward-looking statements, including statements about Sims Metal Management's financial condition, results of operations, earnings outlook and prospects. Forward looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

These forward-looking statements involve certain risks and uncertainties. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from these forward looking statements include those discussed and identified in filings we make with the Australian Securities Exchange and the United States Securities and Exchange Commission (SEC), including the risk factors described in the Company's Annual Report on Form 20F, which we filed with the SEC on 14 October 2011.

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Please note that all references to \$ or dollars herein are references to Australian dollars, unless otherwise indicated.

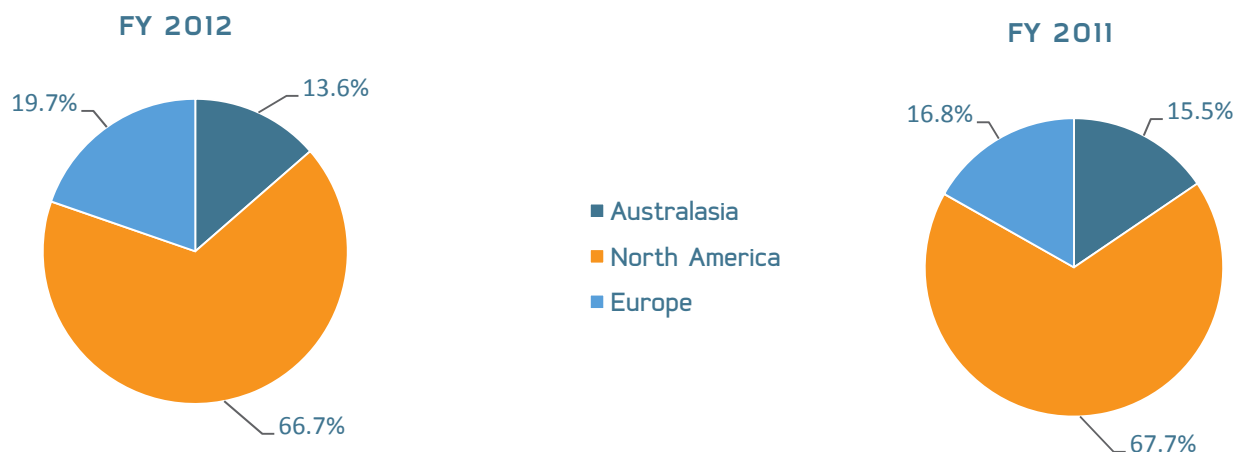
# Group Financial Performance



	FY 2012	FY 2011	Change (%)
Sales Revenue (\$m)	9,035.7	8,846.8	2.1
EBITDA (\$m) (excludes impairment of goodwill and intangible assets)	230.2	430.3	(46.5)
Underlying EBITDA (\$m)*	253.2	414.0	(38.8)
Goodwill & Intangible Asset Impairment (\$m)	615.1	-	-
Depreciation (\$m)	103.1	102.2	0.9
Amortisation (\$m)	26.8	28.4	(5.6)
EBIT (\$m)	(514.8)	299.7	(271.8)
Underlying EBIT (\$m)*	123.3	283.4	(56.5)
NPAT (\$m)	(521.4)	192.1	(371.4)
Underlying NPAT (\$m)*	77.0	182.0	(57.7)
EPS (cents) - diluted	(253.3)	93.3	(371.5)
Underlying EPS (cents) - diluted*	37.0	88.4	(58.1)
Net Cash Inflow/(outflow) from operating activities (\$m)	289.6	158.6	82.6
Capital Expenditures (\$m)	161.1	142.8	12.8
Net Debt (\$m)	292.2	126.2	131.5
Net Debt/[Net Debt + Equity] (%)	10.9	4.1	-
Sales Tonnes ('000)	14,503.3	14,204.3	2.1
Full Fiscal Year Dividend Determined (cents per share)	20	47	(57.4)

\*Underlying EBITDA, EBIT, NPAT and EPS are adjusted for significant items. See schedule of significant items on page 7.

# Sales Revenue by Region



\$m	FY 2012	FY 2011	Change (%)
Australasia (1)	1,228.1	1,369.2	(10.3)
North America	6,027.0	5,993.0	0.6
Europe (2)	1,780.6	1,484.6	19.9
<b>Total</b>	<b>\$ 9,035.7</b>	<b>\$ 8,846.8</b>	<b>2.1</b>

- (1) Decreased sales revenue in Australasia primarily relates to declines in Manufacturing/Other sales and non-ferrous trading.
- (2) Increased sales revenue in Europe primarily relates to the acquisition of Dunn Brothers late in FY 2011 and also growth in SRS.

# Sales Revenue by Product

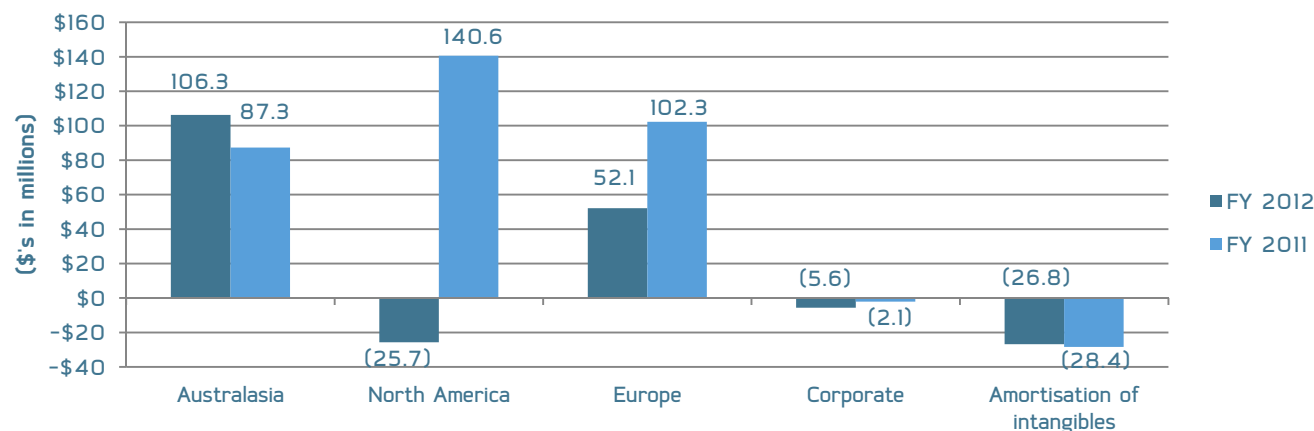


\$m	FY 2012	FY 2011	Change (%)
Ferrous Trading	\$ 4,359.9	\$ 4,261.7	2.3
Non Ferrous Shred Recovery	326.7	339.5	(3.8)
Ferrous Brokerage (1)	1,572.0	1,542.4	1.9
Non Ferrous Trading	1,626.8	1,665.2	(2.3)
Non Ferrous Brokerage	29.7	58.8	(49.5)
Manufacturing/Other (2)	108.8	192.8	(43.6)
Recycling Solutions	1,011.8	786.4	28.7
<b>Total</b>	<b>\$ 9,035.7</b>	<b>\$ 8,846.8</b>	<b>2.1</b>

(1) Ferrous brokerage sales includes sales associated with SA Recycling JV being \$935.7 million and \$999.8 million, in FY 2012 and FY 2011, respectively.

(2) Decline in sales revenue for Manufacturing/Other relates to Australasia.

# EBITA (pre-goodwill and intangible asset impairment) by Region



\$m	FY 2012	FY 2011	Change (%)
Australasia (1)	106.3	87.3	21.8
North America	(25.7)	140.6	(118.3)
Europe	52.1	102.3	(49.1)
<b>EBITA by Region (2)</b>	<b>\$ 132.7</b>	<b>\$ 330.2</b>	<b>(59.8)</b>
Unallocated Group Corporate Costs (3)	(5.6)	(2.1)	(166.7)
Amortisation of intangibles	(26.8)	(28.4)	5.6
<b>EBIT (pre-goodwill/intangibles impairment)</b>	<b>\$ 100.3</b>	<b>\$ 299.7</b>	<b>(66.5)</b>
Non cash goodwill & intangibles impairment	(615.1)	-	-
<b>EBIT (post-goodwill/intangibles impairment)</b>	<b>\$ (514.8)</b>	<b>\$ 299.7</b>	<b>(271.8)</b>

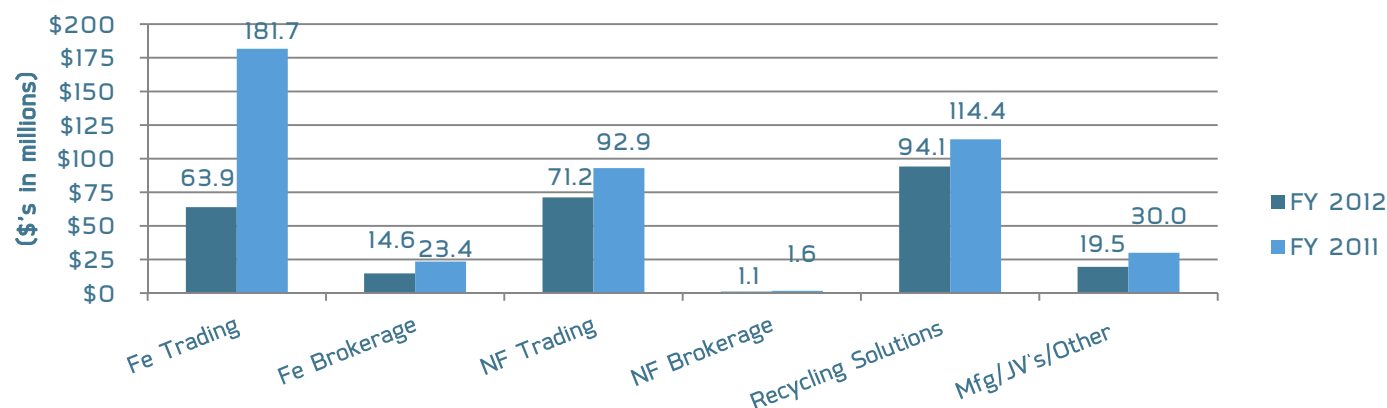
- (1) Australasia EBIT in FY 2012 includes a \$36 million gain on sale of a business by a joint venture.
- (2) EBIT by Region is before the add-back of significant items other than the amortisation of intangibles and impairment of goodwill and other intangible assets.
- (3) Unallocated Group Corporate Costs in FY 2011 are net of a \$11 million gain on sale of other financial assets.

# Significant Items by Region



	Australasia	North America	Europe	Group Corporate	Pre-Tax Total	After-Tax Total
<b>\$m</b>	<b>FY 2012</b>					
Non-cash Goodwill & Intangible Asset Impairment	\$ 3.6	\$ 569.1	\$ 42.4	\$ -	\$ 615.1	\$ 594.2
Inventory Adjustments to Net Realisable Value	2.3	14.8	4.2	-	21.3	13.9
Redundancy Accruals	2.2	5.5	2.2	-	9.9	6.6
Final Settlement of a Business Arrangement	-	7.9	-	-	7.9	4.9
Transaction & Other Acquisition Costs	0.9	0.6	1.0	-	2.5	1.8
Settlement of a Dispute with a Third Party	-	12.8	-	-	12.8	7.9
Credit Loss Due to Bankruptcy of a Customer	-	4.4	-	-	4.4	2.7
Commercial Settlement & Pension Plan Special Charges	-	3.0	(1.0)	-	2.0	0.8
Other Gains Including Formation Gain on the Acquisition of a Joint Venture	(35.8)	(2.0)	-	-	(37.8)	(36.4)
<b>Total Significant Items for FY 2012</b>	<b>\$ (26.8)</b>	<b>\$ 616.1</b>	<b>\$ 48.8</b>	<b>\$ 0.0</b>	<b>\$ 638.1</b>	<b>\$ 596.4</b>
	<b>FY 2011</b>					
Redundancy Accruals	\$ 0.4	\$ 1.2	\$ -	\$ -	\$ 1.6	\$ 1.0
Transaction & Other Acquisition Costs	1.2	0.2	1.7	-	3.1	2.2
Plant Relocation Costs	-	4.0	-	-	4.0	2.3
Commercial Settlement	-	-	(12.0)	-	(12.0)	(9.1)
Gain on Sale of Other Financial Assets	-	-	-	(11.0)	(11.0)	(6.8)
Other Gains Including Formation Gain on the Acquisition of a Joint Venture	-	(2.0)	-	-	(2.0)	(1.2)
<b>Total Significant Items for FY 2011</b>	<b>\$ 1.6</b>	<b>\$ 3.4</b>	<b>\$ (10.3)</b>	<b>\$ (11.0)</b>	<b>\$ (16.3)</b>	<b>\$ (11.6)</b>

# EBITA (pre-goodwill and intangible asset impairment) by Product

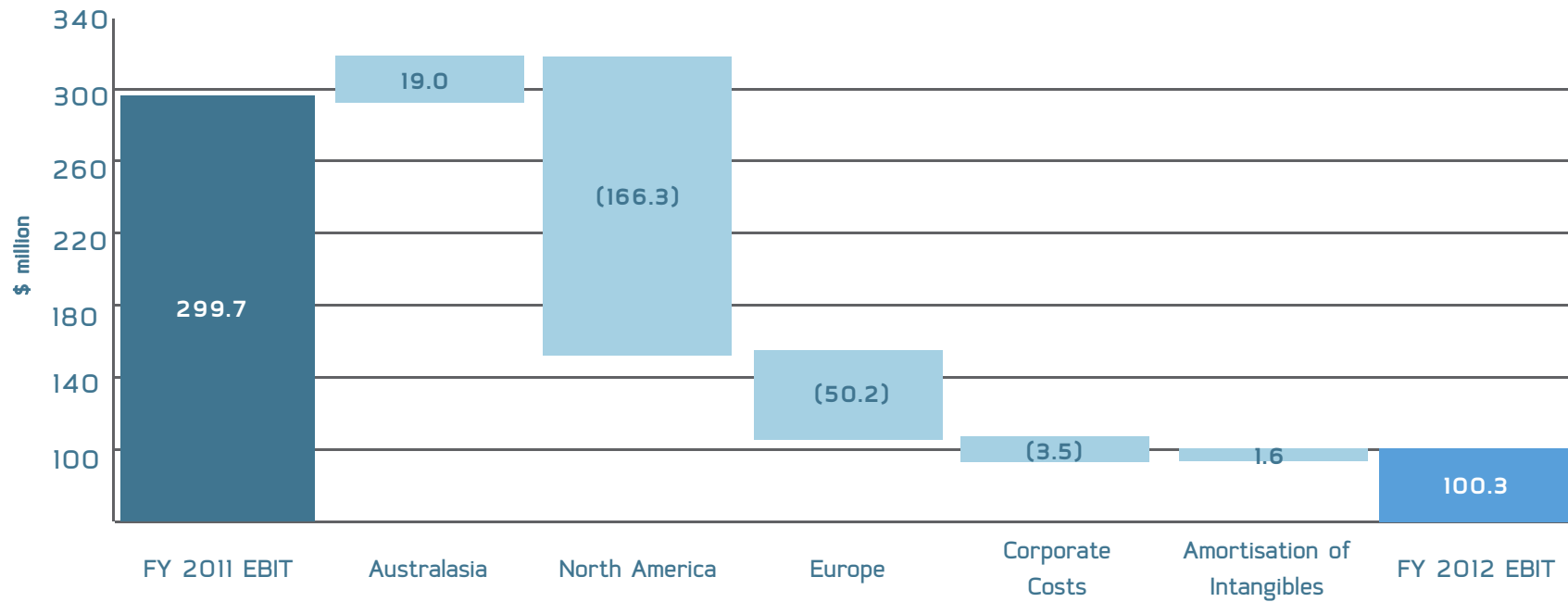


\$m	FY 2012	FY 2011	Change (%)
Ferrous Trading (incl. NFSR)	\$ 63.9	\$ 181.7	(64.8)
Ferrous Brokerage	14.6	23.4	(37.6)
Non Ferrous Trading	71.2	92.9	(23.4)
Non Ferrous Brokerage	1.1	1.6	(31.3)
Recycling Solutions	94.1	114.4	(17.7)
Manufacturing/JV's/Other	19.5	30.0	(35.0)
<b>EBITA by Product (1) (2)</b>	<b>\$ 264.4</b>	<b>\$ 444.0</b>	<b>(40.5)</b>
Group & Regional Corporate Costs (3)	(137.3)	(115.9)	(18.5)
Amortisation of Intangibles	(26.8)	(28.4)	5.6
<b>EBIT (pre-goodwill/intangibles impairment)</b>	<b>\$ 100.3</b>	<b>\$ 299.7</b>	<b>(66.5)</b>

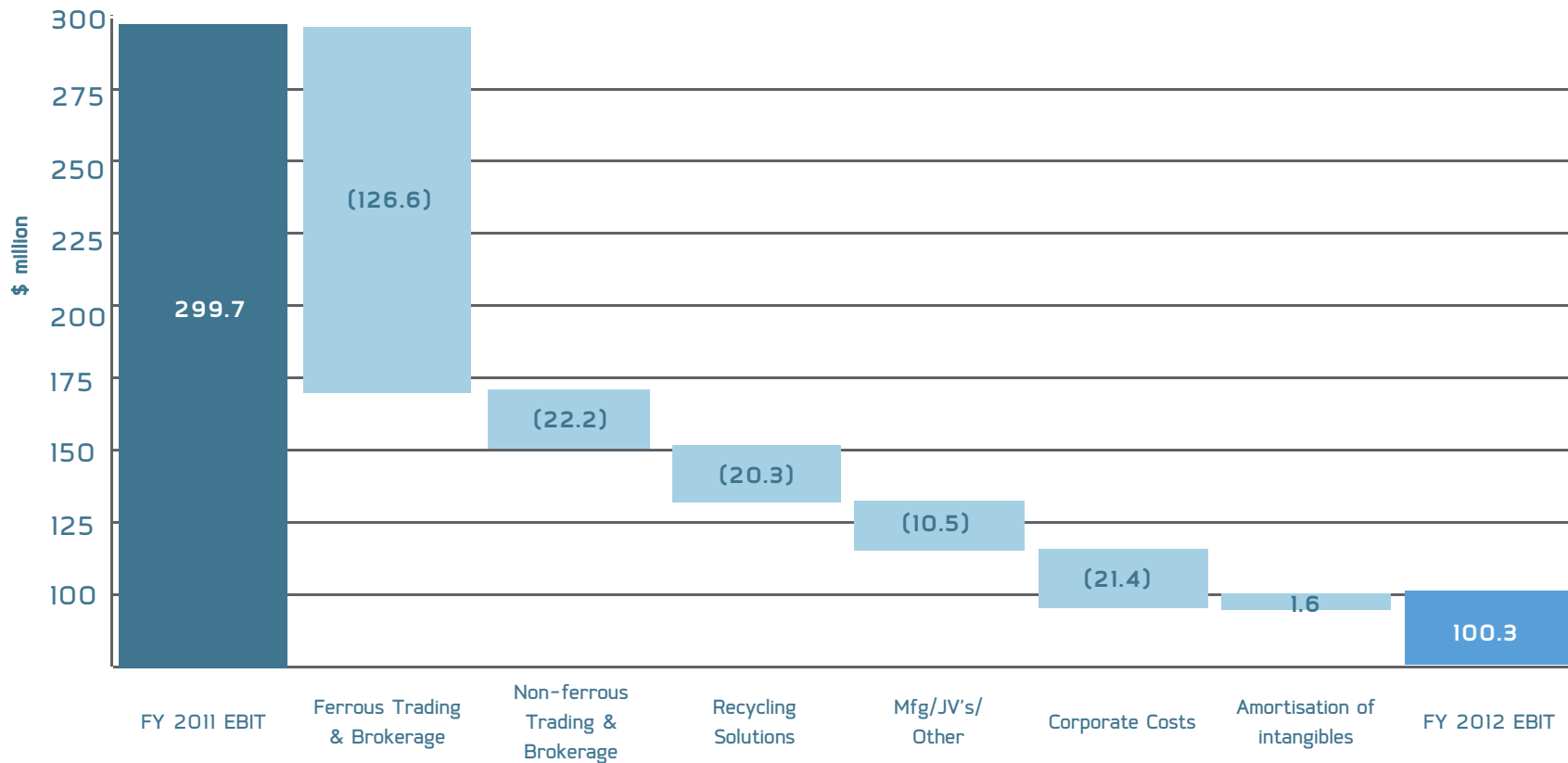
- (1) EBIT by Product is presented pre-corporate costs (including group head office costs) and amortisation of intangibles.
- (2) EBIT by Product is before add back of other significant items and does not reflect any allocation of the write-off of non-cash goodwill and intangible asset impairment to the product categories.
- (3) Group & Regional Corporate Costs in FY 2011 are offset by a \$11 million gain on sale of other financial assets.



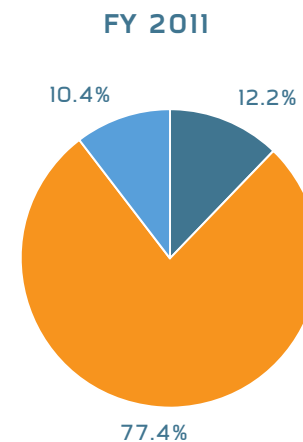
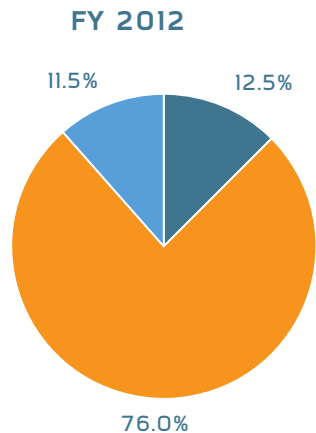
# EBIT (pre-goodwill and intangible asset impairment) Change by Region



# EBIT (pre-goodwill and intangible asset impairment) Change by Product



# Intake Volumes by Region

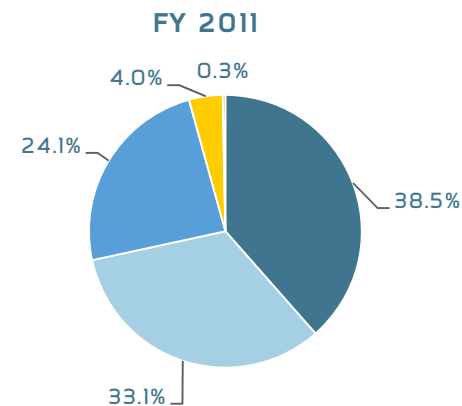
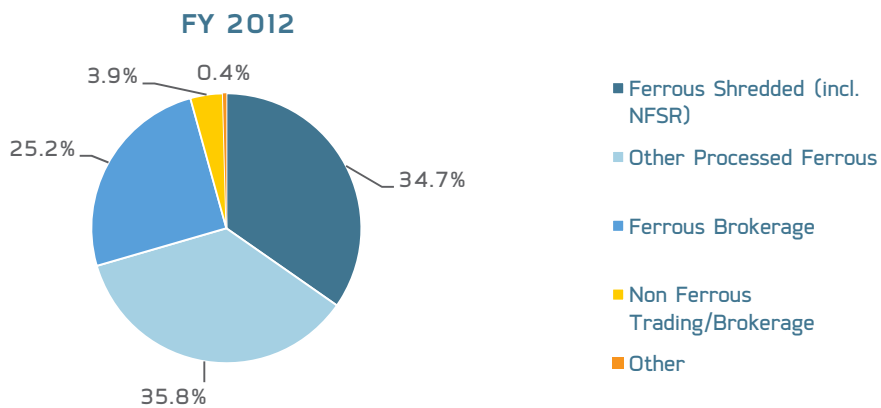


- Australasia
- North America
- Europe

Total Tonnes ('000's)	FY 2012	FY 2011	Change (%)
Australasia	1,791	1,745	2.6
North America	10,908	11,044	(1.2)
Europe (1)	1,656	1,482	11.7
<b>Total</b>	<b>14,355</b>	<b>14,271</b>	<b>0.6</b>

(1) Growth in Europe primarily relates to the acquisition of Dunn Brothers late in FY 2011.

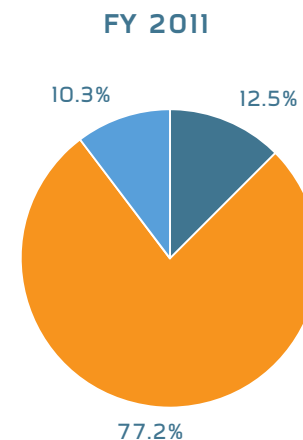
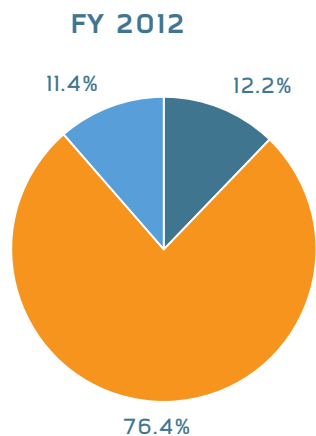
# Intake Volumes by Product



Total Tonnes ('000's)	FY 2012	FY 2011	Change (%)
Ferrous Shred (inc. NFSR)	4,976	5,489	(9.3)
Other Processed Ferrous	5,146	4,732	8.7
Ferrous Brokerage (1)	3,613	3,433	5.2
Non-Ferrous Trading/Brokerage	559	573	(2.4)
Other	61	44	38.6
<b>Total</b>	<b>14,355</b>	<b>14,271</b>	<b>0.6</b>

(1) Ferrous brokerage tonnes includes sales associated with SA Recycling JV of 2.2 million in both FY 2012 and FY 2011.

# Sales Volume by Region



- Australasia
- North America
- Europe

Total Tonnes ('000's)	FY 2012	FY 2011	Change (%)
Australasia	1,772	1,774	(0.1)
North America	11,080	10,964	1.1
Europe (1)	1,651	1,466	12.6
<b>Total</b>	<b>14,503</b>	<b>14,204</b>	<b>2.1</b>

(1) Growth in Europe primarily relates to the acquisition of Dunn Brothers late in FY 2011.

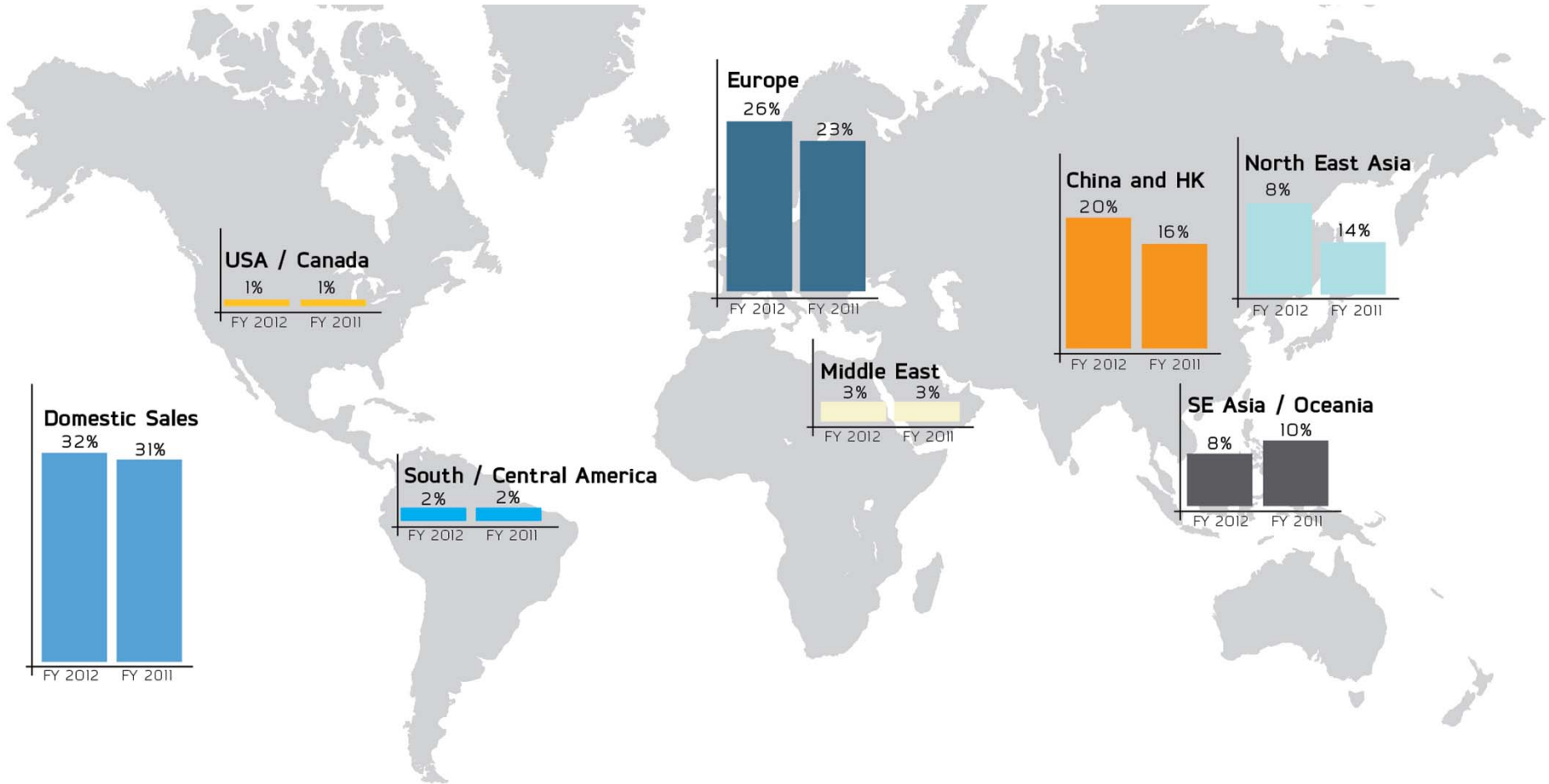
# Sales Volume by Product



Total Tonnes ('000's)	FY 2012	FY 2011	Change (%)
Ferrous Shred (inc. NFSR)	5,092	5,416	(6.0)
Other Processed Ferrous	5,180	4,663	11.1
Ferrous Brokerage (1)	3,597	3,518	2.2
Non Ferrous Trading/Brokerage	586	571	2.6
Other	48	36	33.3
<b>Total</b>	<b>14,503</b>	<b>14,204</b>	<b>2.1</b>

(1) Ferrous brokerage tonnes includes sales associated with SA Recycling JV of 2.2 million in both FY 2012 and FY 2011.

# Sales by Destination (Ex-Country of Sourcing)



- Domestic sales refer to sales in country of sourcing

# Group Income Statement



\$m	FY 2012	FY 2011	Change (\$)	Change (%)
Sales Revenue	\$ 9,035.7	\$ 8,846.8	\$ 188.9	2.1
EBITDA (excludes impairment of goodwill and intangible assets)	230.2	430.3	(200.1)	(46.5)
Underlying EBITDA (1)	253.2	414.0	(160.8)	(38.8)
EBIT	(514.8)	299.7	(814.5)	(271.8)
Underlying EBIT (1)	123.3	283.4	(160.1)	(56.5)
Net Interest Expense	(21.2)	(23.9)	2.7	11.3
Tax Benefit (Expense)	14.6	(83.7)	98.3	117.4
Net (Loss) Profit After Tax	\$ (521.4)	\$ 192.1	\$ (713.5)	(371.4)
Underlying Net Profit After Tax (1)	\$ 77.0	\$ 182.0	\$ (105.0)	(57.7)

(1) Underlying EBITDA, EBIT, NPAT are adjusted for significant items. See schedule of significant items on page 7.



# Group Balance Sheet



\$m	FY 2012	FY 2011	Change (\$)	Change (%)
<b>Current Assets</b>	\$ 1,484.2	\$ 1,766.5	(282.3)	(16.0)
<b>Non-current Assets</b>	2,135.8	2,413.3	(277.5)	(11.5)
<b>Total Assets</b>	3,620.0	4,179.8	(559.8)	(13.4)
<b>Current Liabilities</b>	734.2	823.3	(89.1)	(10.8)
<b>Non-current Borrowings</b>	329.9	291.2	38.7	13.3
<b>Other Non-current Liabilities</b>	161.5	144.8	16.7	11.5
<b>Total Liabilities</b>	1,225.6	1,259.3	(33.7)	(2.7)
<b>Net Assets</b>	\$ 2,394.4	\$ 2,920.5	(526.1)	(18.0)
<b>Net Debt/(Net Debt +Equity) (%)</b>	10.9	4.1	-	-

# Group Cash Flow



\$m	FY 2012	FY 2011	Change (\$)
(Loss) / Profit for the year	\$ (521.4)	\$ 192.1	\$ (713.5)
Adjustments for non-cash items			
Depreciation and amortisation	129.9	130.6	(0.7)
Impairment of goodwill, PP&E & intangible assets	615.5	-	615.5
Gain on sale of jointly controlled assets	(35.7)	-	(35.7)
Share-based payments	24.3	15.7	8.6
Equity accounted profits net of dividends received	13.1	(12.3)	25.4
Other	(0.2)	(9.8)	9.6
Change in operating assets and liabilities	64.1	(157.7)	221.8
Net cash inflow from operating activities	\$ 289.6	\$ 158.6	\$ 131.0
Payments for PP&E	\$ (161.1)	\$ (142.8)	\$ (18.3)
Payments on acquisitions of subsidiaries, net of cash acquired	(82.2)	(105.8)	23.6
Payments for other financial assets	(1.5)	(28.3)	26.8
Loan to a third party, net	(13.8)	(6.9)	(6.9)
Proceeds from sale of PP&E	6.6	3.9	2.7
Proceeds from sale of other financial assets	0.4	54.8	(54.4)
Loan to and payment for an interest in an associate	(131.3)	-	(131.3)
Proceeds from sale of jointly controlled assets	40.0	-	40.0
Return of capital from jointly controlled entities	0.3	-	0.3
Net cash outflow from investing activities	\$ (342.6)	\$ (225.1)	\$ (117.5)
Net cash outflows from operating & investing activities	\$ (53.0)	\$ (66.5)	\$ 13.5

# North America Results



	FY 2012	FY 2011	Change (%)
Sales Revenue (\$m)	\$ 6,027.0	\$ 5,993.0	0.6
EBITDA (\$m) (excludes impairment of goodwill and intangible assets) (1)	26.8	196.9	(86.4)
Underlying EBITDA (\$m) (2)	73.8	200.3	(63.2)
Depreciation	(52.5)	(56.3)	6.8
EBITA (\$m) (1)	(25.7)	140.6	(118.3)
Underlying EBITA (\$m) (2)	21.3	144.0	(85.2)
Goodwill & Intangible Asset Impairment	(569.1)	-	-
Amortisation of Intangibles	(24.1)	(26.0)	7.3
EBIT (\$m) (1)	(618.9)	114.6	(640.1)
Underlying EBIT (\$m) (2)	(2.8)	118.0	(102.4)
Assets (\$m)	\$ 2,066.3	\$ 2,656.0	(22.2)
Employees	3,693	3,503	5.4
Sales Margin (%)	11.7	12.8	-

(1) Excludes unallocated Group Corporate costs.

(2) Underlying EBITDA, EBITA and EBIT are adjusted for significant items. See schedule of significant items on page 7.

# Australasia Results



	FY 2012	FY 2011	Change (%)
Sales Revenue (\$m)	\$ 1,228.1	\$ 1,369.2	(10.3)
EBITDA (\$m) (excludes impairment of goodwill) (1)	130.4	108.7	20.0
Underlying EBITDA (\$m) (2)	100.0	110.3	(9.3)
Depreciation	(24.1)	(21.4)	(12.6)
EBITA (\$m) (1)	106.3	87.3	21.8
Underlying EBITA (\$m) (2)	75.9	88.9	(14.6)
Goodwill Impairment	(3.6)	-	-
Amortisation of Intangibles	(0.8)	(0.3)	(166.7)
EBIT (\$m) (1)	101.9	87.0	17.1
Underlying EBIT (\$m) (2)	75.1	88.6	(15.2)
Assets (\$m)	\$ 733.0	\$ 633.0	15.8
Employees	1,006	942	6.8
Sales Margin (%)	21.1	22.1	-

(1) Excludes unallocated Group Corporate costs.

(2) Underlying EBITDA, EBITA and EBIT are adjusted for significant items. See schedule of significant items on page 7.

# Europe Results

	FY 2012	FY 2011	Change (%)
Sales Revenue (\$m)	\$ 1,780.6	\$ 1,484.6	19.9
EBITDA (\$m) (excludes impairment of goodwill)	78.1	126.4	(38.2)
Underlying EBITDA (\$m)*	84.5	116.1	(27.2)
Depreciation	(26.0)	(24.1)	(7.9)
EBITA (\$m)	52.1	102.3	(49.1)
Underlying EBITA (\$m)*	58.5	92.0	(36.4)
Goodwill Impairment	(42.4)	-	-
Amortisation of Intangibles	(1.9)	(2.1)	9.5
EBIT (\$m)	7.8	100.2	(92.2)
Underlying EBIT (\$m)*	56.6	89.9	(37.0)
Assets (\$m)	\$ 820.7	\$ 890.8	(7.9)
Employees	1,900	1,727	10.0
Sales Margin (%)	20.6	24.7	-

\*Underlying EBITDA, EBITA and EBIT are adjusted to significant items. See schedule of significant items on page 7.



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