

SIMS RECYCLING SOLUTIONS-NORTH AMERICA EMPLOYEE NEWS

A MESSAGE FROM THE CEO

As we begin 2009 we are faced with unprecedented market conditions in all of our operating regions. We cannot escape from the effects of the chill winds sweeping through the wider economy but with sound management and both dedicated team and individual efforts we will emerge from the recession as an even stronger business. As a Company we have a strong balance sheet and good liquidity (in other words we have cash to pay for our input materials, wages and operating processes). Of course we have to manage our businesses well and minimize all costs wherever possible provided that does not put our people and processes at risk. Everyone can play their part in reducing costs and so make our business more robust.

As a Region, we are continuing to invest in processes that improve our competitiveness, whether in hard physical assets or through ongoing training. You will know from previous communication that I have committed to making this company a safer workplace. Through the adoption of SimsMMway Safety every employee will be engaged with me to lead this Company to a zero harm workplace. I want everyone to understand that these new standards are non negotiable. Every individual in our Company will shortly receive their own personal copy of SimsMMway Safety and be engaged with line management to continually improve both our cultural and systemic approach to the management of safety and welfare in our business. One of our Australian colleagues Peter Netchaef has been appointed to the position of SHEC Director for Europe and SRS Global and will be working with me and line management globally to ensure that the new SimsMMway Safety standards are applied in all of our operating regions. Peter joined us in December.

Despite the current gloom in the market, we have continued with a careful programme of investment to improve our processes, whether from a cost base or to drive more value from the quality of our materials. In November I was pleased to see Peter Garrett, Australia's Environment Minister open our new electronics recycling facility in Villawood, Sydney in Australia. Our newest WEEE plant in Newport is now entering its commissioning period and plans are being made for its formal opening on 9th February 2009. It will be fully operational by the middle of January when the final plastics separation unit will be installed, allowing the process to be the first full scale in-line separation process globally. We shall also be investing in further technology in the Netherlands, Sweden and North America to improve our quality of precious metals destined for the smelters by effectively removing saleable plastics. And of course, our research and operational scale activities at Newport and Long Marston continue with value add metals and plastics recovered from the shredder waste stream. Further investment decisions will be made in due course to extend our capability in this area.

In September we completed the acquisition of Herring, a North East UK based scrap metal processor, giving our Company a presence in this region for the first time. The acquisition of the US e-recycler Global Investment Recovery was completed in early October giving our North American SRS business an even greater geographic footprint, Global operates from Florida, Arizona, Louisiana, Nevada and South Carolina and increases the volume our businesses handle there by 40%, further establishing SRS as the leading e-recycler in the North American marketplace. The integration of these businesses are well underway in order to deliver synergies for the larger Group.

Through continued commitment by you, our staff, in areas from safe practice through to efficiency of operations and business development, we are continuing to lay the foundations for our Company to be the long term partner of choice for our clients. Thanks for your continuing efforts for our business.

> **GRAHAM DAVY** SIMS RECYCLING SOLUTIONS

CEO

THIS ISSUE

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JANUARY 2009

WELCOME

HELLO TO ALL OUR COLLEGUES AND PARTNERS OF SIMS **RECYCLING SOLUTIONS**

We proudly present the inaugural issue of Sims Recycling Solutions-North America Bulletin...devoted to you— our most valuable resource

The purpose of The Bulletin is to communicate, update and educate. We are among other things a part of the Sims Recycling Solutions family, and what is more important than learning about what is happening across North America, understanding who we are, where we are headed and how we get there?

Again, welcome to YOUR bulletin! We definitely look forward to being the best source into the world of Sims Recycling Solutions.

-Editorial Team

A FEW WORDS

FROM YOUR PRESIDENT

While we all appreciate a bit of change and an opportunity to try something new, I am not sure any of us could have anticipated the magnitude of change that has occurred during 2008. We started the year as a barely brand new company after the joining of United Recycling, Noranda Recycling and the existing SRS site in Hayward. In the blink of an eye that has been the past 10 months we purchased Accu-Shred in Toronto and substantially expanded our Canadian business while welcoming the Accu-Shred employees to the fold; we opened a new facility in Los Angeles and watched while volumes and employees grew rapidly; we added new employees across the continent and said goodbye to a number of dear friends who left the company; we added sophisticated new equipment in some plants with plans for more in early 2009 and we completed the acquisition of Global Investment Recovery (GIR) in October which added seven sites and more than 300 employees to SRS. Our company now has 14 sites and more than 700 employees in 11 states and one province. I want to thank all employees for their commitment and dedication during this very active year.

Unfortunately, changes to our business are not the only challenges we have all dealt with this year. An economic collapse here in the US this fall has spread doubt and anxiety globally and while we all watched financial markets suffer historic losses, our global business has been negatively impacted by the huge drop in commodity values. Going forward, we must continue to manage costs, solidify customer relationships and look for opportunities to grow the business that provide high returns with minimal risk. Our commitment to growth has not changed and while we may temporarily restrain large capital expenditures, we will continue to aggressively pursue market opportunities that will set us up for future success.

Our highest priority in the coming year is safety and the health and well being of our employees. To that end, all managers and supervisors will receive new and extensive training on the "SimsMMWay Safety" system which has been developed in conjunction with safety experts at DuPont. SimsMMWay is a global effort within SRS to improve safety management within the company with an ultimate goal of zero accidents.



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All employees will receive a copy of the SimsMMWay document delivered to their home and we expect that this new safety culture will become a way of life for employees both at work and in their personal lives.

We will also be working diligently to integrate the sites and employees of GIR and we will continue to add technology solutions, primarily for plastic separation and shredding improvements. Lastly, we will be implementing new production and customer management systems to further enhance our value to existing and new customers.

While the current economic situation remains grim, the senior management of SRS remains committed to building the world's best e-scrap recycling company. It is a long journey, with success and bumps to come in the road ahead and I look forward to sharing it all with every employee.

Steve Skurnac Sims Recycling Solutions- North America President

Stepten Surnac



SIMS RECYCLING SOLUTIONS NEWSLETTER

HUMAN RESOURCES

UPDATES

Payroll/Benefit Changes for 2009 - *Applies to U.S. Employees Only

Change in Pay Schedule for Exempt Employees

Effective January 1st, 2009 all Exempt employees pay schedule will change from weekly pay periods to semi-monthly pay periods.

New Benefits Offered in 2009

The following Flex Spending Accounts will be offered to all SRS non-union employees.

Dependent Care Reimbursement - enables you to deduct childcare (day care) or elder care expenses up to \$5,000.00 a year, per family, before taxes.

Health Care Reimbursement - health care expenses are medically necessary expenses that are not covered by your health or dental insurance plan. Here are just some of the expense covered under Health Care:

Dental Services Eye Exams Eye Glasses Vision Correction Surgery and much, much more!

Co-Payment

Colonial Supplemental Insurance

Additional insurance policies will be available through Colonial Insurance, such as accident with short term disability rider (non-exempt employees only), cancer, critical illness, and life insurance.

Educational meetings at your location will discuss how these plans can benefit you.

2009 U.S. HOLIDAY SCHEDULE

New Years Day -Thursday January 1st
President's Day - Monday February 16th
Memorial Day - Monday May 25th
Independence Day - Friday July 3rd
Labor Day - Monday September 7th
Thanksgiving Day - Thursday November 26th
Day after Thanksgiving - Friday November 27th
Christmas Eve - Thursday December 24th
Christmas Day - Friday December 25th
New Years Eve - Thursday December 31st

RIRTHDAYS

Birthdays and Anniversaries will be included in our next edition.
Email us @ David.Kent@simsmm.com if you want to share a birthday or a anniversary.

FAREWELL

We would like to wish happy trails to Lisa Bremmer and Andrew Mason as they part from the Sims Recycling Solutions Family, to explore the U.S.



TO NEWLY APPOINTED MEMBERS OF THE SIMS FAMILY

Bill Bascetta

Plant Manager Tuscon, AZ

Tony Campbell

Project Manager Brampton

Deborah Graham-Clifford

Account Executive Roseville, CA

Kelly Ferguson

Logistics Coordinator West Chicago

Jenell Mack-Gates

Office Manager West Chicago

Eric Jones

Marketing & Communications Assistant West Chicago

Terry Keel

EH&S Manager Western Region

Sonya L. Llorens

Human Resources Manager Tampa, Florida

Rob Malcom

EH&S Coordinator Franklin Park

Dianna Sorby

Recycling Program Manager West Region

Stacey Sproats

Human Resource Manager Brampton

Tom Usellis

Maintenance Manager

West Chicago



HEALTH AND SAFETY

KEEPING ON TOP OF THE ISSUES

Sims Recycling Solutions – SimsMMway Safety – Going Global!

By Allen Jarocha, SHEC Director- NA

In an effort to maximize the health and safety of its employees on a global basis, Sims Recycling Solutions will be implementing the "SimsMMway Safety" system for managing health and safety at all of its sites throughout the world.

The SimsMMway Safety management system incorporates 4 key elements:

- 1) A safety vision based on a robust set of safety principles and policies.
- 2) A strategic framework for the management of safety.
- 3) A set of essential safety management standards and
- 4) A set of Safety Golden Rules.

The SimsMMway Safety management system has been under development for several months and has involved the cooperation of safety professionals from all areas of our global business. The SRS-NA SHEC staff has been working hard to integrate the essential safety management standards developed by the SRS-UK SHEC staff into their existing programs. The SRS-NA SHEC staff spent a week in the UK ϑ EU, touring several of the SRS sites, meeting their peers, and learning how to perform compliance audits on the essential safety management standards.

The use of a global safety management system has enormous advantages and promotes the use of best practices that will benefit all sites in their health θ safety efforts. The SRS-NA SHEC staff and the Operational Managers look forward to bringing the SimsMMway Safety management system to our valued employees. While an exact date hasn't been given for the formal rollout of the SimsMMway Safety management system, it should take place before the end of the year.

REGIONAL NEWS

A CLOSER LOOK AT SOME OF OUR LOCATIONS ACROSS NORTH AMERICA

Safety The SimsMMway: 1,000 Days Roseville's Outstanding Accomplishment

By Stephanie Souza, Marketing & Communciations - West Region

In November, Roseville accomplished 1000 days without any lost time due to an injury! Those who contributed to this accomplishment was awarded with a t-shirt and a certificate from Sims to show their appreciation for all of their hard work! Every employee continually demonstrates safety first in Roseville. Thank you for staying safe! There is more to come when we hit the 3 year mark! It should be mentioned here that Sims Recycling Solutions' two other California plants, Rancho Domingiuez and Hayward, participated in this safety challenge and are to be congratulated for their outstanding safety record during the past 1000 days!





SimsMMway SAFETY TRAINING

MANAGING SAFETY: TOOLS AND TECHNIQUES

Attention plant managers, site managers, area managers, superintendents, vice presidents, presidents, and general managers.

SimsMMway training began December 18th and will continue through January. The Two-Day Safety Workshop for Managers at our West Chicago office. The workshop is designed to help them integrate safety management into the overall management program.

During the workshop, participants will examine and evaluate their roles in the following aspects of the safety:

- 1) Auditing
- 2) Leadership
- 3)Investigating Incidents

In addition, the following strategies for managing safety within the overall organization will be introduced:

- 1) Safety Organization
- 2) Safety Department or Coordinator
- 3) Contractor Safety
- 4) Safety Principles

Participants will make notes on seminar material for the application to their own work situations. At the end of the seminar, they will then use their notes to develop action plans for implementation on the job.

LaVergne's Lean De-Manufacturing Project

by David Porterfield & Ingrid Sinclair

In 2008 SRS-Nashville began implementing a layout improvement project, lead by Sebastien Rosner – GM-Brampton. As a resident expert in Lean manufacturing techniques, Sebastian helped educate the Nashville team in the use of these tools. They met for several months to develop a proposed layout change. The team's objectives were multi-faceted: 1) improve safety on the floor by segregating pedestrian and forklift traffic, 2) increase plant efficiencies by decreasing buffer to buffer movement, 3) increase productivity in the testing area through the use of conveyor systems, and 4) effectively incorporate an additional 60,000 sq.ft in the existing layout.

The project is now well on its way with a need to accommodate increased volumes and reduce/eliminate waste and risk in the workplace, while adding value for our customers. Future plans include altering the MIRP production layout, reducing warehouse rack storage, permanently installing a conveyance system for our remarketing/testing area, establishing 5S measures, and several other value-creating changes all the while maintaining regular operations!

Thanks to Sebastien Rosner for your guidance and all those who were involved on the "Lean" team:

John Alger – Testing/Re-marketing, Kevin Evans–Facility Maintenance, Connie Fox–EHS, Stefanie Gerdom–IT/Security, Jeanne Handley–Receiving, Ken Hermes-EHS, Shanon Holt–Production, Justin Miller–Warehousing, David Porterfield–Operations, Lynn Stacey–Shipping, Michael Taylor–Operations and Pete Womble-Engineering.

Their ongoing hard work and diligent planning is highly commendable. Sims works because our team share the common quest for excellence—and it shows!

REGIONAL NEWS

A CLOSER LOOK AT SOME OF OUR LOCATIONS ACROSS NORTH AMERICA

WEST CHICAGO

Marty Knight National Accounts Manager

On a sales front, we have renewed our contracts with Monsanto, with kudos to Amanda Hale and Pat Koehn, who worked hard and were very helpful in our winning this business. We have also added Olympus to our new customer list; credit goes to Gail Parent, Scott Pencer and Shaun Dolan, who all helped with this team effort.

In addition we won a large contract with Pitney-Bowes, with special thanks to Scott Pencer for all his hard work in leading that effort. Of note: Gail Parent has just accepted a new position as National Accounts Executive, reporting directly to me."

Have you seen it? We have—the main similarities between our Sims Recycling Services teams nationwide and those in professional sports: Good teams always work hard, with excellence, to accomplish the common goal...winning! They may not win every single time, but they always do well, and they play to win. Congratulations Marty, Mandy, Scott, Gail, Pat and Shaun—and every Sims team member who plays to win new business!

"Whole Lotta Shredding Going On" Amanda Hale

Installation is complete on a new CRT shredder in West Chicago. The New SSI quad shaft, with a total of 300 HP replaces the previous 150 HP shredder. Variable Frequency Drives will allow operators to control the speed of the shredders depending upon what type of material is being shredded and provide for greater energy efficiency. In addition to increasing throughput and decreasing jams, the shredder will also have a new tilt baler for easier and safer loading. Testing is nearly complete and production runs are planned to begin the week of the 12th.

BRAMPTON

"Expansion on the Horizon"

New legislation which goes into effect April 1, 2009 will create a mandatory consumer collection and recycling scheme across all of Ontario. Among covered items are computers monitors, printers, mice and keyboards. All of this adds up to a potentially HUGE influx of material as SRS Brampton is expected to be one of only a few selected recyclers that will qualify to bid on new material generated through this program.

LA VERGNE

Wedding Announcement

Congratulations to David & Hannah Porterfield of Nashville, who were married on September 6th. David is the Operations Manager at the Ink Plant and authors articles in this issue. Hannah is a nurse in the NICU at Baptist Hospital in Nashville.



Exciting Changes at the LaVergne Ink Plant David Porterfield

The lnk Plant has undergone several improvements within the last year. The Phase 0 sorting line was upgraded with the implementation of a Wringer, which has improved debag throughput by 15%. This development has helped to control envelope backlog, increased efficiency and eliminate flail blade costs. We have also re-designed the cartridge shredding line, Phase 1. Replaceable cutters have been introduced, extending the life of the blades and lowering downtime for blade changes.

With an April 2009 completion goal, we are in the process of adding a PET plastic wash line to Phase 1 to meet HP cleanliness specifications. In addition, a two-line conveyor sorting system is proposed for our cartridge sorting area, allowing increased throughput and automation for cartridge sorting. Finally, HP is acquiring an extra 40,000 sq. ft. suite next door to the current ink plant, doubling plant capacity. HP and Sims will be working very diligently over the next few weeks with electrical needs, procedural changes, staffing moves, and more.

FRANKLIN PARK

Happy Holidays From YOUR Franklin Park Lab Team!



(L to R) Dana Kurka (Lab Manager), Phil Milewski, Natu Patel, and Kevin O'Connor.

SIMS RECYCLING SOLUTIONS GLOBAL

NEWS FROM THE UK

NEWPORT WEEE



Newport, Wales

Newport recently opened a world leading facility on November 21st that oversees the handover of Sims' brand new \$12.5 million WEEE processing site. This specific acquisition will make Newport the world's premier recycling facility. The site will offer a full range of recycling solutions unparalleled to anywhere else on the globe. The new site, combined with the existing site, will be 36 acres in size and will enable Newport to process an entire range of domestic and commercial end of life products, processing in excess of 110,000 tons of WEEE per year. Newport Regional Manager Paul Wake said: "This facility demonstrates our commitment to best practice recycling and is great news not only for Sims but for Newport too. The site will also house our newly developed state of the art plastics separation line, helping us to enhance our single stream polymer products and maintain our position as a market leading recycled plastics supplier." The purpose built 65,000 square feet building houses the latest in shredder technology and new office facilities. It is also planned to set up an Asset Management facility early in 2009. The first SRS staff, currently based in the 'blue box', will move into the new offices at the beginning of December.

GLOSSARY

ABBREVIATIONS AND TERMS USED IN THIS ISSUE

5S - The Five S program is a subcomponent of Lean Manufacturing Techniques. The program focuses on having visual order, organization, cleanliness and standardization. The results you can expect from a Five S program are: improved profitability, efficiency, service and safety. Its 5 components are: Sort - the first step in making things cleaned up and organized. Set In Order - organize, identify and arrange everything in a work area. Shine - regular cleaning and maintenance. Standardize - Simplify; make it easy to maintain. Sustain - maintain what has been accomplished. Lean Manufacturing Techniques - Known often as"Lean," is a generic process management philosophy known for its focus on reduction of wastes and wasteful practices, in order to improve overall customer value. Lean measures can be implemented through specialized systems used in the manufacturing industry to streamline efficiency and minimize waste, wasteful practices and processes, and provide more value with less work.

MIRP - Material Inflow Reclaim Process; refers to the receiving, testing and/or removal of hazards prior to going to the shredder. Can also be referred to as "De-man".

SHEC - Safety, Health, Environment, and Community. This department's role is dedicated to acting in an advisory and consulting capacity to the plant managers regarding the Company's activities that relate to matters of safety, health and the environment-including their impact on the local community.

WEEE- Waste Electrical and Electronic Equipment. European Law, setting collection, recycling and recovery targets for all types of electrical goods. WEEE imposes the responsibility for the disposal of waste electrical and electronic equipment on the manufacturers of such equipment. Those companies should establish an infrastructure for collecting WEEE, in such a way that "Users of electrical and electronic equipment from private households should have the possibility of returning WEEE at least free of charge". Also, the companies are compelled to use the collected waste in an ecologically-friendly manner, either by ecological disposal or by reuse/refurbishment of the collected WEEE.

Please e-mail and tell us what else you would like to see in your newsletter. This publication is truly a joint effort and will be based on what you submit. We will continue to come up with unique features for subsequent issues, but who knows better what is happening at your facility than you?

Your stories, news items and special notices are welcome and encouraged. Please e-mail your editors at:

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