

MEMORANDUM

To: All Option Members, Member Organizations and ROTs
 From: Listings Administration
 Date: February 27, 2008
 Subject: **Metal Management, Inc. (MM) Pending Merger With Sims Group Limited**

On Friday, March 14, 2008, the shareholders of Metal Management, Inc. (MM) will vote to approve the proposed merger with Sims Group Limited. Pursuant to the merger terms each MM share will be converted into the right to receive 2.05 American Depositary Shares (ADSs) of Sims Group Limited. The combined company created by the merger will be renamed Sims Metal Management Limited, and will be listed on the New York Stock Exchange under the symbol SMS, subject to approval. **The merger is anticipated to become effective in the first quarter of 2008.**

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding MM options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced
SYMBOL(S): MM/VZM/LKS becomes MXU/XUT/YIT respectively
POS/EXERCISE LIMIT: 153,750 contracts until January 2010 expiration
MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)
NEW DELIVERABLE: 1) 205 Sims Metal Management Limited (SMS) ADSs

Metal Management, Inc. (MM) (Before - Date To Be Announced) 100 shares MM					Metal Management, Inc. (MXU) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
MM	MAR	35	CG	OG	MXU	MAR	35	CG	OG
MM	MAR	40	CH	OH	MXU	MAR	40	CH	OH
MM	MAR	45	CI	OI	MXU	MAR	45	CI	OI
MM	MAR	50	CJ	OJ	MXU	MAR	50	CJ	OJ
MM	MAR	55	CK	OK	MXU	MAR	55	CK	OK
MM	MAR	60	CL	OL	MXU	MAR	60	CL	OL
MM	MAR	65	CM	OM	MXU	MAR	65	CM	OM
MM	APR	30	DF	PF	MXU	APR	30	DF	PF
MM	APR	35	DG	PG	MXU	APR	35	DG	PG
MM	APR	40	DH	PH	MXU	APR	40	DH	PH
MM	APR	45	DI	PI	MXU	APR	45	DI	PI
MM	APR	50	DJ	PJ	MXU	APR	50	DJ	PJ
MM	APR	55	DK	PK	MXU	APR	55	DK	PK
MM	APR	60	DL	PL	MXU	APR	60	DL	PL
MM	APR	65	DM	PM	MXU	APR	65	DM	PM
MM	APR	70	DN	PN	MXU	APR	70	DN	PN
MM	JUL	35	GG	SG	MXU	JUL	35	GG	SG
MM	JUL	40	GH	SH	MXU	JUL	40	GH	SH
MM	JUL	45	GI	SI	MXU	JUL	45	GI	SI
MM	JUL	50	GJ	SJ	MXU	JUL	50	GJ	SJ
MM	JUL	55	GK	SK	MXU	JUL	55	GK	SK
MM	JUL	60	GL	SL	MXU	JUL	60	GL	SL
MM	JUL	65	GM	SM	MXU	JUL	65	GM	SM
MM	JUL	70	GN	SN	MXU	JUL	70	GN	SN

MM	OCT	45	JI	VI
MM	OCT	50	JJ	VJ
MM	OCT	55	JK	VK
MM	OCT	60	JL	VL
MM	OCT	65	JM	VM
MM	OCT	70	JN	VN

MXU	OCT	45	JI	VI
MXU	OCT	50	JJ	VJ
MXU	OCT	55	JK	VK
MXU	OCT	60	JL	VL
MXU	OCT	65	JM	VM
MXU	OCT	70	JN	VN

Metal Management - 2009 Leap (MM/VZM)
(Before - Date To Be Announced)
100 shares MM

			Call	Put
VZM	JAN	30	AF	MF
VZM	JAN	35	AG	MG
VZM	JAN	40	AH	MH
VZM	JAN	45	AI	MI
VZM	JAN	50	AJ	MJ
VZM	JAN	55	AK	MK
VZM	JAN	60	AL	ML
VZM	JAN	65	AM	MM
VZM	JAN	70	AN	MN
VZM	JAN	80	AP	MP

Metal Management - 2009 Leap (MM/XUT)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

			Call	Put
XUT	JAN	30	AF	MF
XUT	JAN	35	AG	MG
XUT	JAN	40	AH	MH
XUT	JAN	45	AI	MI
XUT	JAN	50	AJ	MJ
XUT	JAN	55	AK	MK
XUT	JAN	60	AL	ML
XUT	JAN	65	AM	MM
XUT	JAN	70	AN	MN
XUT	JAN	80	AP	MP

Metal Management - 2010 Leap (MM/LKS)
(Before - Date To Be Announced)
100 shares MM

			Call	Put
LKS	JAN	30	AF	MF
LKS	JAN	40	AH	MH
LKS	JAN	50	AJ	MJ
LKS	JAN	60	AL	ML
LKS	JAN	70	AN	MN
LKS	JAN	80	AP	MP

Metal Management - 2010 Leap (MM/YIT)
(Beginning - Date To Be Announced)
(See New Deliverable Above)

			Call	Put
YIT	JAN	30	AF	MF
YIT	JAN	40	AH	MH
YIT	JAN	50	AJ	MJ
YIT	JAN	60	AL	ML
YIT	JAN	70	AN	MN
YIT	JAN	80	AP	MP

Any additional MM series added prior to completion will also be adjusted in the manner described above.

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Listings Administration at 1-800-THE-PHLX, choice #2, or (215) 496-5380.