

SCOPE METAL TRADING & TECHNICAL SERVICES LTD.

AND ITS CONSOLIDATED COMPANIES

**SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF
INCOME FOR THE YEAR 2005**

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SCOPE METAL TRADING & TECHNICAL SERVICES LTD.**BALANCE SHEET**

	<u>Consolidated</u>		<u>Company</u>	
	<u>As of December 31st</u>		<u>As of December 31st</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>In Thousands of US dollars</u>			
	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	24,910	12,437	24,201	11,770
Bank deposits	-	421	-	421
Marketable securities	7,944	5,060	7,944	5,060
Trade debtors	52,747	44,046	58,080	43,219
Other recievebles	3,692	2,270	3,557	3,027
Inventory	<u>82,956</u>	<u>62,196</u>	<u>75,261</u>	<u>61,610</u>
	172,249	126,430	169,043	125,107
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<u>INVESTMENTS, LOANS AND LONG</u>				
<u>TERM RECEIVABLES</u>				
Deffered taxes	-	1	-	-
Advanced lease and rental payments	-	-	2,459	2,886
Investment in consolidated companies	<u>-</u>	<u>-</u>	<u>10,041</u>	<u>7,905</u>
	-	1	12,500	10,791
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<u>FIXED ASSETS, NET</u>	39,907	27,712	30,111	18,096
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<u>OTHER ASSETS, NET</u>	1,209	991	911	987
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	213,365	155,134	212,565	154,981
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The amounts were translated into US \$ at a rate of 4.603 NIS =1 US\$

SCOPE METAL TRADING & TECHNICAL SERVICES LTD.**BALANCE SHEET**

	<u>Consolidated</u>		<u>Company</u>	
	<u>As of December 31st</u>		<u>As of December 31st</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	<u>In Thousands of US dollars</u>			
	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
<u>CURRENT LIABILITIES</u>				
Short term credit from banks	20,960	17,157	20,728	17,098
Current maturities of debentures	15,038	927	15,038	927
Trade and service creditors	18,820	12,546	18,759	12,244
Other payables	<u>6,088</u>	<u>7,779</u>	<u>5,784</u>	<u>8,062</u>
	<u>60,906</u>	<u>38,409</u>	<u>60,309</u>	<u>38,331</u>
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<u>LONG TERM LIABILITIES</u>				
Long term loans from banks and others	44,839	34,778	44,744	34,778
Deferred taxes	992	916	992	916
Liability for employee severance pay, Net	560	484	560	481
Debentures	42,801	28,430	42,801	28,430
Other liabilities	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>
	<u>89,192</u>	<u>64,634</u>	<u>89,097</u>	<u>64,605</u>
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<u>MINORITY INTEREST</u>	<u>108</u>	<u>46</u>	<u>-</u>	<u>-</u>
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<u>SHAREHOLDER'S EQUITY</u>	<u>63,159</u>	<u>52,045</u>	<u>63,159</u>	<u>52,045</u>
	<u>213,365</u>	<u>155,134</u>	<u>212,565</u>	<u>154,981</u>
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MARCH 29, 2006

