

SCOPE METALS GROUP LTD.

**SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF
INCOME FOR THE YEAR ENDED DECEMBER 31st, 2009**

CONTENTS

	<u>Page</u>
Balance Sheet – solo (*)	2-3
Statement of Income – solo (*)	4

(*) Investment in subsidiaries is presented at cost method.

For consolidated financial statements see:
http://maya.tase.co.il/bursa/report.asp?report_cd=525616

SCOPE METALS GROUP LTD.**BALANCE SHEET – SOLO**

December 31st
2009 **2008**
Audited **Audited**

In Thousands of US dollars

CURRENT ASSETS

Cash and cash equivalents	57,065	25,459
Marketable securities	2,384	1,559
Trade receivables	58,427	73,346
Other receivables	5,305	9,608
Inventory	<u>128,251</u>	<u>158,538</u>
	251,432	268,510
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NON CURRENT ASSETS

Prepaid rental payments	6,710	7,007
Employees benefits assets	242	-
Investment in subsidiaries (*)	83,817	88,663
Property and equipment	52,403	55,634
Goodwill	812	812
Intangible assets	3,659	3,905
Deffered taxes	<u>1,688</u>	<u>1,719</u>
	149,331	157,740
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	400,763	426,250
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The amounts were translated into US \$ at a rate of 3.775 NIS =1 US\$

(*) Investment in subsidiaries is presented at cost method.

SCOPE METALS GROUP LTD.**BALANCE SHEET – SOLO**

	<u>December 31st</u>	
	<u>2009</u>	<u>2008</u>
	<u>Audited</u>	<u>Audited</u>
	<u>In Thousands of US dollars</u>	
<u>CURRENT LIABILITIES</u>		
Short - term credit from banks and others	39,716	39,551
Current maturities of debentures	12,851	13,623
Trade payables	21,181	33,022
Other payables	<u>7,179</u>	<u>8,781</u>
	80,927	94,977
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<u>NON CURRENT LIABILITIES</u>		
Long - term loans from banks and others	76,487	82,408
Debentures	61,037	71,007
Accrued severance pay	-	277
Deferred taxes	<u>4,900</u>	<u>5,382</u>
	142,424	159,074
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<u>TOTAL LIABILITIES</u>	223,351	254,051
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<u>EQUITY</u>		
Share capital	3,900	3,900
Premium and capital funds	90,575	87,422
Warrants	5,988	9,141
Retained earnings	<u>76,949</u>	<u>71,736</u>
	177,412	172,199
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	400,763	426,250
	=====	=====

March 25th 2010

SCOPE METALS GROUP LTD.**STATEMENT OF INCOME - SOLO**

	For the year ended December 31 st <u>2009</u> <u>Audited</u>	For the year ended December 31 st <u>2008</u> <u>Audited</u>	For the year ended December 31 st <u>2007</u> <u>Audited</u>
	<u>In Thousands of US dollars</u>		
Revenues	154,597	275,015	292,665
Cost of goods sold	<u>114,375</u>	<u>218,872</u>	<u>215,466</u>
Gross profit	40,222 -----	56,143 -----	77,199 -----
Selling and marketing expenses	20,951	28,247	25,276
General and administrative expenses	6,834	12,788	8,795
Other expenses, net	<u>153</u>	<u>97</u>	<u>1,205</u>
	27,938	41,132	35,276
Operating income	12,284 -----	15,011 -----	41,923 -----
Financial income	1,667	455	4,330
Financial expenses	<u>9,070</u>	<u>15,448</u>	<u>24,415</u>
	7,403	14,993	20,085
Income before taxes on income	4,881	18	21,838
Taxes on income (Tax benefit)	<u>(332)</u>	<u>(1,738)</u>	<u>8,296</u>
Net income	5,213 -----	1,756 -----	13,542 -----