

**SCOPE METALS GROUP LTD.**  
**AND ITS SUBSIDIARIES**

**SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF**  
**INCOME FOR THE SIX MONTHS ENDED JUNE 30<sup>th</sup>, 2010**

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**SCOPE METALS GROUP LTD.****BALANCE SHEET****Consolidated**

	<u>June 30<sup>th</sup></u>	<u>December 31<sup>st</sup></u>
	<u>2010</u>	<u>2009</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2009</u>
		<u>Audited</u>

**In Thousands of US dollars**

**CURRENT ASSETS**

Cash and cash equivalents	56,889	61,566	63,809
Marketable securities	2,320	2,090	2,322
Trade receivables, net	70,394	57,654	68,669
Other receivables (*)	6,432	6,613	5,494
Inventory	<u>154,667</u>	<u>189,748</u>	<u>171,813</u>
	290,702	317,671	312,107
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**NON CURRENT ASSETS**

Prepaid leasing payments (*)	305	61	55
Employees benefits assets, net	271	227	227
Property and equipment (*)	76,076	79,829	78,284
Goodwill	3,542	3,621	3,516
Intangible assets	3,739	4,047	3,853
Deffered taxes	<u>6,510</u>	<u>7,657</u>	<u>7,213</u>
	90,443	95,442	93,148
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	381,145	413,113	405,255
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.875 NIS =1 US\$

(\*) Comparative figures were reclassified

**SCOPE METALS GROUP LTD.****BALANCE SHEET****Consolidated**

	<u>June 31<sup>th</sup></u>		<u>December 31<sup>st</sup></u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>

**In Thousands of US dollars****CURRENT LIABILITIES**

Short - term credit from banks and others	54,064	66,379	57,399
Current maturities of debentures	21,247	12,198	12,520
Trade payables	20,268	15,415	25,720
Other payables	<u>7,548</u>	<u>7,383</u>	<u>8,162</u>
	103,127	101,375	103,801
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**NON CURRENT LIABILITIES**

Long - term loans from banks and others	79,089	88,687	80,995
Debentures	42,131	61,381	59,461
Deferred taxes	<u>6,341</u>	<u>7,038</u>	<u>5,986</u>
	127,561	157,106	146,442
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**TOTAL LIABILITIES**

	230,688	258,481	250,243
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**EQUITY**

Issued share capital	3,800	3,800	3,800
Premium and capital funds	88,238	88,238	88,238
Warrants	5,833	5,833	5,833
Retained earnings	55,184	57,216	58,761
Foreign currency translation fund	<u>(2,598)</u>	<u>(455)</u>	<u>(1,620)</u>
	150,457	154,632	155,012
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	381,145	413,113	405,255
	=====	=====	=====

August 30<sup>th</sup>, 2010

**SCOPE METALS GROUP LTD.****STATEMENT OF INCOME****Consolidated**

	<b>For the Six Months ended June 30<sup>th</sup></b>		<b>For the three Months ended June 30<sup>th</sup></b>		<b>For the year ended December 31<sup>st</sup></b>
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2009</u></b>
	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Audited</u></b>

**In Thousands of US dollars (except Earnings (Loss) Per Share data)**

Sales turnover	126,472	107,115	64,611	50,536	224,238
Cost of goods sold	93,982	83,657	48,042	38,756	172,090
Gross profit	32,490	23,458	16,569	11,780	52,148
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Selling and marketing expenses	17,320	17,397	8,722	8,403	34,391
General and administrative expenses	6,428	6,512	3,090	3,162	11,770
Other expenses (income), net	(288)	95	15	49	113
	23,460	24,004	11,827	11,614	46,274
Operating income (loss)	9,030	(546)	4,742	166	5,874
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Finance income	360	3,694	104	1,758	2,048
Finance expenses	4,482	8,531	3,164	3,416	11,981
	4,122	4,837	3,060	1,658	9,933
Income (Loss) before taxes on income	4,908	(5,383)	1,682	(1,492)	(4,059)
Taxes on income (Tax Benefit)	1,456	(132)	766	41	(353)
Net income (Loss)	3,452	(5,251)	916	(1,533)	(3,706)
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**Net income (Loss) per share attributed to the company's shareholders (NIS)**

Basic and Deluted income (Loss)	0.32	(0.48)	0.09	(0.14)	(0.34)
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