

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE THREE MONTHS ENDED MARCH 31st, 2010

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

	<u>March 31st</u>		<u>December 31st</u>
	<u>2010</u>	<u>2009</u>	<u>2009</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>In Thousands of US dollars</u>		
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	62,921	36,827	66,593
Marketable securities	2,490	1,876	2,424
Trade receivables, net	73,508	71,206	71,665
Other receivables (*)	6,925	10,344	5,734
Inventory	<u>167,380</u>	<u>216,399</u>	<u>179,309</u>
	313,224	336,652	325,725
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<u>NON CURRENT ASSETS</u>			
Prepaid leasing payments (*)	81	68	57
Employees benefits assets, net	281	203	236
Property and equipment (*)	80,266	84,925	81,700
Goodwill	3,612	3,935	3,670
Intangible assets	3,926	4,380	4,022
Deffered taxes	<u>7,574</u>	<u>8,240</u>	<u>7,527</u>
	95,740	101,751	97,212
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	408,964	438,403	422,937
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.713 NIS =1 US\$

(*) Comparative figures were reclassified

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

	<u>March 31st</u>		<u>December 31st</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	57,286	71,835	59,904
Current maturities of debentures	21,880	12,494	13,066
Trade payables	25,134	22,709	26,842
Other payables	6,016	6,655	8,519
Dividends payables	<u>7,335</u>	<u>-</u>	<u>-</u>
	117,651	113,693	108,331
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NON CURRENT LIABILITIES

Long - term loans from banks and others	85,593	90,482	84,529
Debentures	43,352	62,824	62,056
Deferred taxes	<u>6,437</u>	<u>7,159</u>	<u>6,246</u>
	135,382	160,465	152,831
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TOTAL LIABILITIES

	253,033	274,158	261,162
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EQUITY

Issued share capital	3,966	3,966	3,966
Premium and capital funds	92,088	88,881	92,088
Warrants	6,088	9,294	6,088
Retained earnings	56,636	61,312	61,324
Foreign currency translation fund	<u>(2,847)</u>	<u>792</u>	<u>(1,691)</u>
	155,931	164,245	161,775
	-----	-----	-----
	408,964	438,403	422,937
	=====	=====	=====

May 30th, 2010

SCOPE METALS GROUP LTD.**STATEMENT OF INCOME****Consolidated**For the three Months ended
March 31For the year ended
December 312010
Unaudited2009
Unaudited2009
Unaudited**In Thousands of US dollars (except Earnings (Loss) Per Share data)**

Sales turnover	64,560	59,048	234,021
Cost of goods sold	<u>47,944</u>	<u>46,861</u>	<u>179,599</u>
Gross profit	16,616 -----	12,187 -----	54,422 -----
Selling and marketing expenses	8,973	9,386	35,892
General and administrative expenses	3,483	3,497	12,283
Other expenses (income), net	<u>(315)</u>	<u>48</u>	<u>117</u>
	12,141	12,931	48,292
Operating income (loss)	4,475 =====	(744) =====	6,130 =====
Finance income	1,147	2,022	2,138
Finance expenses	<u>2,254</u>	<u>5,338</u>	<u>12,504</u>
	1,107	3,316	10,366
Income (Loss) before taxes on income	3,368	(4,060)	(4,236)
Taxes on income (Tax Benefit)	<u>721</u>	<u>(180)</u>	<u>(368)</u>
Net income (Loss)	2,647 =====	(3,880) =====	(3,868) =====
<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>			
Basic and Deluted income (Loss) per share	0.24 =====	(0.36) =====	(0.36) =====