

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE SIX MONTHS ENDED SEPTEMBER 30th, 2011

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

	<u>September 30th</u>		<u>December 31st</u>
	<u>2011</u>	<u>2010</u>	<u>2010</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	42,760	55,439	53,771
Marketable securities	1,980	7,356	8,036
Trade receivables, net	80,888	71,401	70,632
Other receivables (*)	4,296	4,955	3,361
Inventory	<u>144,690</u>	<u>154,701</u>	<u>151,476</u>
	274,614	293,852	287,276
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<u>NON CURRENT ASSETS</u>			
Prepaid leasing payments (*)	222	299	280
Employees benefits assets, net	172	244	211
Property and equipment (*)	78,810	79,096	78,875
Goodwill	3,626	3,594	3,492
Intangible assets	3,821	3,908	4,027
Deffered taxes	<u>5,388</u>	<u>6,901</u>	<u>7,080</u>
	92,039	94,042	93,965
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	366,653	387,894	381,241
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The amounts were translated into US \$ at a rate of 3.712 NIS =1 US\$

(*) Comparative figures were reclassified

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

	<u>September 30th</u>		<u>December 31st</u>
	<u>2011</u>	<u>2010</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	47,183	46,025	45,794
Current maturities of debentures	17,256	22,453	22,600
Trade payables	26,281	20,919	26,823
Other payables	<u>11,395</u>	<u>7,573</u>	<u>9,089</u>
	102,115	96,970	104,306
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NON CURRENT LIABILITIES

Long - term loans from banks and others	79,009	82,466	82,426
Debentures	26,878	44,556	41,008
Deferred taxes	<u>6,999</u>	<u>6,640</u>	<u>6,900</u>
	112,886	133,662	130,334
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TOTAL LIABILITIES

	215,001	230,632	234,640
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EQUITY

Issued share capital	3,967	3,967	3,967
Premium and capital funds	98,202	98,202	98,202
Retained earnings	52,825	58,475	49,749
Foreign currency translation fund	<u>(3,342)</u>	<u>(3,382)</u>	<u>(5,317)</u>
	151,652	157,262	146,601
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	366,653	387,894	381,241
	=====	=====	=====

November 27th, 2011

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

	For the	For the nine	For the three Months		For the year ended
	Months ended	Months ended	September 30th		December 31st
	September 30th	September 30th	2011	2010	2010
	2011	2010	2011	2010	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited

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

Sales turnover	213,875	194,679	71,631	62,654	261,996
Cost of goods sold	<u>159,072</u>	<u>145,034</u>	<u>54,230</u>	<u>46,926</u>	<u>194,673</u>
Gross profit	54,803	49,645	17,401	15,728	67,323
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Selling and marketing expenses	28,526	27,183	9,646	9,102	36,846
General and administrative expenses	9,870	10,005	2,877	3,294	13,818
Other expenses (income), net	39	(282)	(1)	19	(297)
Reorganisation expenses	<u>106</u>	=	=	=	<u>514</u>
	38,541	36,906	12,522	12,415	50,881
Operating income (loss)	16,262	12,739	4,879	3,313	16,442
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Finance income	939	2,201	383	1,825	2,405
Finance expenses	<u>9,279</u>	<u>8,594</u>	<u>3,464</u>	<u>3,915</u>	<u>11,217</u>
	8,340	6,393	3,081	2,090	8,812
Income (Loss) before taxes on income	7,922	6,346	1,798	1,223	7,630
Taxes on income (Tax Benefit)	<u>1,912</u>	<u>1,876</u>	<u>498</u>	<u>355</u>	<u>2,995</u>
Net income (Loss)	6,010	4,470	1,300	868	4,635
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<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>					
Basic and Deluted income (Loss)	0.55	0.41	0.12	0.08	0.43
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