

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

**SUMMERY OF INTERIM BALANCE SHEET AND STATEMENT OF**  
**INCOME FOR THE THREE MONTHS ENDED MARCH 31<sup>st</sup>, 2011**

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

	<u>March 31<sup>st</sup></u>		<u>December 31<sup>st</sup></u>
	<u>2011</u>	<u>2010</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<b><u>In Thousands of US dollars</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	31,230	67,114	57,340
Marketable securities	7,964	2,656	8,569
Trade receivables, net	82,509	78,408	75,319
Other receivables	4,080	7,387	3,584
Inventory	<u>160,775</u>	<u>178,534</u>	<u>161,528</u>
	286,558	334,099	306,340
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<b><u>NON CURRENT ASSETS</u></b>			
Prepaid leasing payments	278	86	298
Employees benefits assets, net	205	300	225
Property and equipment	84,515	85,615	84,109
Goodwill	3,703	3,852	3,724
Intangible assets	4,232	4,187	4,294
Deffered taxes	<u>6,529</u>	<u>8,081</u>	<u>7,550</u>
	99,462	102,121	100,200
	-----	-----	-----
	386,020	436,220	406,540
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.481 NIS =1 US\$

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

	<u>March 31<sup>st</sup></u>		<u>December 31<sup>st</sup></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	48,957	61,104	48,833
Current maturities of debentures	18,596	23,339	24,100
Trade payables	28,246	26,809	28,603
Other payables	7,442	6,417	9,693
Dividends payables	-	<u>7,824</u>	-
	<u>103,241</u>	<u>125,493</u>	<u>111,229</u>
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**NON CURRENT LIABILITIES**

Long - term loans from banks and others	86,120	91,298	87,896
Debentures	29,690	46,241	43,729
Deferred taxes	<u>7,213</u>	<u>6,865</u>	<u>7,358</u>
	<u>123,023</u>	<u>144,404</u>	<u>138,983</u>
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**TOTAL LIABILITIES**

	<u>226,264</u>	<u>269,897</u>	<u>250,212</u>
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**EQUITY**

Issued share capital	4,230	4,230	4,230
Premium and capital funds	98,225	98,225	98,225
Warrants	6,494	6,494	6,494
Retained earnings	56,209	60,410	53,051
Foreign currency translation fund	<u>(5,402)</u>	<u>(3,036)</u>	<u>(5,672)</u>
	<u>159,756</u>	<u>166,323</u>	<u>156,328</u>
	-----	-----	-----
	<u>386,020</u>	<u>436,220</u>	<u>406,540</u>
	=====	=====	=====

May 19<sup>th</sup>, 2011

**SCOPE METALS GROUP LTD.****STATEMENT OF INCOME****Consolidated**For the three Months ended  
March 31For the year ended  
December 312011  
Unaudited2010  
Unaudited2010  
Unaudited**In Thousands of US dollars (except Earnings (Loss) Per Share data)**

Sales turnover	77,870	68,862	279,383
Cost of goods sold	<u>57,035</u>	<u>51,139</u>	<u>207,592</u>
Gross profit	20,835 -----	17,723 -----	71,791 -----
Selling and marketing expenses	10,129	9,571	39,291
General and administrative expenses	3,939	3,716	14,735
Other expenses (income), net	(18)	(337)	(317)
Reorganisation expenses	<u>113</u>	=	<u>548</u>
	14,163	12,950	54,257
Operating income (loss)	6,672 -----	4,773 -----	17,534 -----
Finance income	644	1,223	2,564
Finance expenses	<u>3,236</u>	<u>2,404</u>	<u>11,961</u>
	2,592	1,181	9,397
Income (Loss) before taxes on income	4,080	3,592	8,137
Taxes on income	<u>922</u>	<u>769</u>	<u>3,194</u>
Net income (Loss)	3,158 -----	2,823 -----	4,943 -----
<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>			
Basic and Deluted income (Loss) per share	0.29 =====	0.26 =====	0.45 =====