

**SCOPE METALS GROUP LTD. (formerly known as SCOPE METALS
TRADING & TECHNICAL SERVICES LIMITED)**

AND ITS CONSOLIDATED COMPANIES

**SUMMERY OF ANNUAL BALANCE SHEETS AND STATEMENTS OF
INCOME FOR THE YEAR 2007**

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**SCOPE METALS GROUP LTD. (formerly known as SCOPE METALS
TRADING & TECHNICAL SERVICES LIMITED)**

BALANCE SHEETS

	<u>Consolidated</u>	
	<u>31st December</u>	
	<u>2007</u>	<u>2006</u>
	<u>In Thousands of US dollars</u>	
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	9,017	8,855
Marketable securities	18,843	54,797
Trade receivables, net	107,516	91,694
Other receivables	14,029	7,675
Inventory	<u>235,512</u>	<u>151,696</u>
	384,917	314,717
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<u>LONG -TERM ASSETS</u>		
Prepaid rental payments	116	170
Deffered taxes	<u>2</u>	<u>4</u>
	118	174
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<u>PROPERTY AND EQUIPMENT</u>	70,955	51,409
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<u>INTANGIBLE ASSETS, NET</u>	6,141	6,449
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	462,131	372,749
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The amounts were translated into US \$ at a rate of 3.846 NIS =1 US\$

**SCOPE METALS GROUP LTD. (formerly known as SCOPE METALS
TRADING & TECHNICAL SERVICES LIMITED)**

BALANCE SHEETS

	<u>Consolidated</u>	
	<u>31st December</u>	
	<u>2007</u>	<u>2006</u>
	<u>In Thousands of US dollars</u>	
<u>CURRENT LIABILITIES</u>		
Short - term credit from banks and other	47,377	41,633
Current portion of long - term debt	8,173	4,685
Trade payables	47,965	39,511
Other payables	<u>10,558</u>	<u>8,614</u>
	114,073	94,443
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<u>LONG - TERM LIABILITIES</u>		
Long - term loans debt	104,249	79,543
Deferred taxes	2,241	1,620
Accrued severance pay, Net	1,084	1,149
Debentures	<u>79,526</u>	<u>46,304</u>
	187,100	128,616
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<u>SHAREHOLDERS' EQUITY</u>		
	160,958	149,690
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	462,131	372,749

March 31st, 2008

**SCOPE METALS GROUP LTD. (formerly known as SCOPE METALS
TRADING & TECHNICAL SERVICES LIMITED)**

STATEMENTS OF INCOME

	<u>Consolidated</u>		
	For the year December 31st <u>2007</u>	For the year December 31st <u>2006</u>	For the year December 31st <u>2005</u>
	<u>In Thousands of US dollars</u>		
Revenues	334,008	270,918	157,006
Cost of goods sold	<u>241,698</u>	<u>187,219</u>	<u>110,746</u>
Gross profit	92,310	83,699	46,260
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Warehouse, delivery, selling and marketing expenses	38,175	28,175	16,030
General and administrative expenses	<u>13,613</u>	<u>11,375</u>	<u>7,286</u>
	51,788	39,550	23,316
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Operating income	40,522	44,149	22,944
Finance expenses, net	<u>13,984</u>	<u>8,988</u>	<u>7,784</u>
Operating income after financial expenses	26,538	35,161	15,160
Other income (expenses), net	<u>(988)</u>	<u>345</u>	<u>(9)</u>
Income before income taxes	25,550	35,506	15,151
Income Taxes	<u>6,946</u>	<u>10,634</u>	<u>4,138</u>
Income before minority interest	18,604	24,872	11,013
Minority interest in earnings (loss) of subsidiary	<u>23</u>	<u>(16)</u>	<u>(90)</u>
Net income	18,627	24,856	10,923
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<u>Basic earnings per share (reported in NIS)</u>	1.72	2.55	1.56
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