

**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>, 2009**

**CONTENTS**

	<u>Page</u>
Balance Sheets – consolidated	2-3
Statements of income – consolidated	4

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

	<u>June 30<sup>th</sup></u>	<u>December 31<sup>st</sup></u>
	<u>2009</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2008</u>
		<u>Audited</u>

**In Thousands of US dollars****CURRENT ASSETS**

Cash and cash equivalents	60,875	11,076	32,523
Fair value of marketable securities	2,068	13,270	12,959
Trade receivables, net	57,006	110,168	80,989
Other receivables	6,735	10,733	10,477
Inventory	<u>187,619</u>	<u>217,811</u>	<u>215,356</u>
	314,301	363,058	352,304
	-----	-----	-----

**LONG -TERM ASSETS**

Prepaid rental payments	10,992	9,010	10,772
Employees benefits assets	225	-	-
Property and equipment, net	68,175	68,380	69,685
Goodwill	3,581	3,239	3,463
Intangible assets, net	4,001	4,130	4,166
Deferred taxes	<u>7,571</u>	<u>2,994</u>	<u>7,281</u>
	94,545	87,753	95,367
	-----	-----	-----
	<u>408,846</u>	<u>450,811</u>	<u>447,671</u>
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.919 NIS =1 US\$

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

	<u>June 30<sup>th</sup></u>	<u>December 31<sup>st</sup></u>
	<u>2009</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2008</u>
		<u>Audited</u>

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

Short - term credit from banks and others	65,635	44,719	65,629
Current portion of debentures	12,061	12,912	13,122
Trade payables	15,242	39,356	38,322
Other payables	<u>7,299</u>	<u>10,823</u>	<u>9,637</u>
	100,237	107,810	126,710
	-----	-----	-----

**LONG - TERM LIABILITIES**

Long - term loans from banks and others	87,692	103,610	89,077
Debentures	60,692	70,586	68,398
Long - term operating lease	370	340	364
Accrued severance pay, Net	-	59	268
Deferred taxes	<u>6,959</u>	<u>5,118</u>	<u>6,341</u>
	155,713	179,713	164,448
	-----	-----	-----

**TOTAL LIABILITIES**

	255,950	287,523	291,158
	-----	-----	-----

**SHAREHOLDERS' EQUITY**

Share capital	3,757	3,757	3,757
Additional paid in capital and capital funds	87,247	84,210	84,209
Warrants	5,768	8,805	8,805
Retained earnings	56,574	74,766	61,766
Foreign currency translation fund	<u>(450)</u>	<u>(8,250)</u>	<u>(2,024)</u>
	152,896	163,288	156,513
	-----	-----	-----
	408,846	450,811	447,671
	=====	=====	=====

**August 31<sup>st</sup> 2009**

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

	<b><u>Consolidated</u></b>				
	<b>For the six Months ended June 30<sup>th</sup></b>		<b>For the three Months ended June 31<sup>th</sup></b>		<b>For the year ended December 31<sup>st</sup></b>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2008</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>
	<b><u>In Thousands of US dollars (except Earnings (Loss) Per Share data)</u></b>				
Revenues	105,912	182,700	49,968	93,833	339,078
Cost of goods sold	<u>82,718</u>	<u>136,211</u>	<u>38,321</u>	<u>68,315</u>	<u>268,599</u>
Gross profit	23,194	46,489	11,647	25,518	70,479
	-----	-----	-----	-----	-----
Warehouse, delivery, seling and marketing expenses	17,202	20,952	8,309	10,531	42,079
General and administrative expenses	6,438	7,174	3,126	3,613	17,422
Other (income) expenses, net	<u>94</u>	<u>7</u>	<u>48</u>	<u>(1)</u>	<u>68</u>
Operating income (Loss)	(540)	18,356	164	11,375	10,910
	-----	-----	-----	-----	-----
Finance income	3,653	5,730	1,738	2,672	1,571
Finance expenses	<u>8,435</u>	<u>13,189</u>	<u>3,377</u>	<u>6,880</u>	<u>19,688</u>
Income (Loss) before taxes on income	(5,322)	10,897	(1,475)	7,167	(7,207)
Income Taxes (Tax Benefit)	<u>(130)</u>	<u>2,752</u>	<u>41</u>	<u>1,697</u>	<u>(2,352)</u>
Net income (Loss)	(5,192)	8,145	(1,516)	5,470	(4,855)
	-----	-----	-----	-----	-----
<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>					
Basic & Deluted Earnings (Loss) per share	<u>(0.48)</u>	<u>0.75</u>	<u>(0.14)</u>	<u>0.50</u>	<u>(0.45)</u>
	=====	=====	=====	=====	=====