

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMERY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30th, 2010

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

	<u>September 30th</u>		<u>December 31st</u>
	<u>2010</u>	<u>2009</u>	<u>2009</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>

In Thousands of US dollars**CURRENT ASSETS**

Cash and cash equivalents	56,150	56,421	67,465
Marketable securities	7,450	2,378	2,455
Trade receivables, net	72,317	65,467	72,604
Other receivables (*)	5,019	7,209	5,809
Inventory	<u>156,685</u>	<u>190,769</u>	<u>181,658</u>
	297,621	322,244	329,991
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NON CURRENT ASSETS

Prepaid leasing payments (*)	303	61	58
Employees benefits assets, net	247	206	240
Property and equipment (*)	80,110	83,017	82,770
Goodwill	3,640	3,732	3,718
Intangible assets	3,958	4,153	4,074
Deffered taxes	<u>6,991</u>	<u>8,170</u>	<u>7,625</u>
	95,249	99,339	98,485
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	392,870	421,583	428,476
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The amounts were translated into US \$ at a rate of 3.665 NIS =1 US\$

(*) Comparative figures were reclassified

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

	<u>September 30th</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	46,616	61,443	60,688
Current maturities of debentures	22,741	13,212	13,237
Trade payables	21,187	24,562	27,194
Other payables	<u>7,670</u>	<u>6,310</u>	<u>8,631</u>
	98,214	105,527	109,750
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NON CURRENT LIABILITIES

Long - term loans from banks and others	83,523	83,303	85,636
Debentures	45,127	62,717	62,868
Deferred taxes	<u>6,726</u>	<u>6,029</u>	<u>6,328</u>
	135,376	152,049	154,832
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TOTAL LIABILITIES

	233,590	257,576	264,582
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EQUITY

Issued share capital	4,017	4,017	4,017
Premium and capital funds	93,294	93,294	93,294
Warrants	6,168	6,168	6,168
Retained earnings	59,225	61,612	62,127
Foreign currency translation fund	<u>(3,424)</u>	<u>(1,084)</u>	<u>(1,712)</u>
	159,280	164,007	163,894
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	392,870	421,583	428,476
	=====	=====	=====

November 30th, 2010

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

	For the For the nine Months ended September 30th		For the three Months September 30th		For the year ended December 31st
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>

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

Sales turnover	197,176	169,954	63,457	56,702	237,086
Cost of goods sold	146,894	131,081	47,527	42,630	181,951
Gross profit	50,282	38,873	15,930	14,072	55,135
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Selling and marketing expenses	27,532	27,008	9,219	8,614	36,362
General and administrative expenses	10,133	9,083	3,337	2,198	12,444
Other expenses (income), net	<u>(286)</u>	<u>89</u>	<u>19</u>	<u>(12)</u>	<u>119</u>
	37,379	36,180	12,575	10,800	48,925
Operating income (loss)	12,903	2,693	3,355	3,272	6,210
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Finance income	2,229	4,318	1,849	411	2,166
Finance expenses	<u>8,704</u>	<u>12,693</u>	<u>3,966</u>	<u>3,673</u>	<u>12,668</u>
	6,475	8,375	2,117	3,262	10,502
Income (Loss) before taxes on income	6,428	(5,682)	1,238	10	(4,292)
Taxes on income (Tax Benefit)	1,900	(1,247)	359	(1,107)	(373)
Net income (Loss)	4,528	(4,435)	879	1,117	(3,919)
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Net income (Loss) per share attributed to the company's shareholders (NIS)

Basic and Deluted income (Loss)	0.41	(0.41)	0.08	0.10	(0.36)
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