

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

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

CONTENTS

	<u>Page</u>
Balance Sheet – consolidated	2-3
Statement of income – consolidated	4

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

	<u>June 30th</u>	<u>December 31st</u>
	<u>2011</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2010</u>
		<u>Audited</u>
<u>In Thousands of US dollars</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	42,505	64,551
Marketable securities	7,559	2,633
Trade receivables, net	82,413	79,876
Other receivables (*)	4,342	7,298
Inventory	<u>159,845</u>	<u>175,501</u>
	296,664	312,260
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<u>NON CURRENT ASSETS</u>		
Prepaid leasing payments (*)	262	346
Employees benefits assets, net	209	308
Property and equipment (*)	85,650	86,324
Goodwill	3,730	4,019
Intangible assets	4,236	4,243
Deffered taxes	<u>6,372</u>	<u>7,386</u>
	100,459	102,626
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	397,123	414,397
	=====	=====

The amounts were translated into US \$ at a rate of 3.415 NIS =1 US\$

(*) Comparative figures were reclassified

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

	<u>2011</u>	<u>June 31th</u>	<u>2010</u>	<u>December 31st</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks and others	52,081	61,346	49,777
Current maturities of debentures	19,196	24,109	24,566
Trade payables	26,458	22,998	29,155
Other payables	<u>9,288</u>	<u>8,566</u>	<u>9,880</u>
	107,023	117,019	113,378
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NON CURRENT LIABILITIES

Long - term loans from banks and others	87,868	89,742	89,595
Debentures	30,668	47,806	44,574
Deferred taxes	<u>7,358</u>	<u>7,195</u>	<u>7,500</u>
	125,894	144,743	141,669
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TOTAL LIABILITIES

	232,917	261,762	255,047
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EQUITY

Issued share capital	4,312	4,312	4,312
Premium and capital funds	106,742	100,123	106,742
Warrants	-	6,619	-
Retained earnings	59,196	62,617	54,076
Foreign currency translation fund	<u>(6,044)</u>	<u>(2,948)</u>	<u>(5,780)</u>
	164,206	170,723	159,350
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	397,123	432,485	414,397
	=====	=====	=====

August 15th, 2011

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

	For the Six Months ended June 30th		For the three Months ended June 30th		For the year ended December 31st
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2010</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	154,615	143,507	75,240	73,314	284,782
Cost of goods sold	<u>113,960</u>	<u>106,641</u>	<u>55,823</u>	<u>54,513</u>	<u>211,604</u>
Gross profit	40,655	36,866	19,417	18,801	73,178
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Selling and marketing expenses	20,522	19,653	10,197	9,897	40,050
General and administrative expenses	7,601	7,293	3,585	3,506	15,019
Other expenses (income), net	42	(327)	62	17	(323)
Reorganisation expenses	<u>116</u>	=	=	=	<u>559</u>
	28,281	26,619	13,844	13,420	55,305
Operating income (loss)	12,374	10,247	5,573	5,381	17,873
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Finance income	604	408	298	117	2,614
Finance expenses	<u>6,321</u>	<u>5,085</u>	<u>3,373</u>	<u>3,590</u>	<u>12,193</u>
	5,717	4,677	3,075	3,473	9,579
Income (Loss) before taxes on income	6,657	5,570	2,498	1,908	8,294
Taxes on income (Tax Benefit)	<u>1,537</u>	<u>1,653</u>	<u>597</u>	<u>869</u>	<u>3,256</u>
Net income (Loss)	5,120	3,917	1,901	1,039	5,038
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<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>					
Basic and Deluted income (Loss)	0.47	0.36	0.18	0.10	0.46
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