

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

**SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF**  
**INCOME FOR THE SIX MONTHS ENDED SEPTEMBER 30<sup>th</sup>, 2011**

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

	<u>September 30<sup>th</sup></u>	<u>December 31<sup>st</sup></u>
	<u>2011</u>	<u>2010</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2010</u>
		<u>Audited</u>

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

Cash and cash equivalents	42,760	55,439	53,771
Marketable securities	1,980	7,356	8,036
Trade receivables, net	80,888	71,401	70,632
Other receivables (*)	4,296	4,955	3,361
Inventory	<u>144,690</u>	<u>154,701</u>	<u>151,476</u>
	274,614	293,852	287,276
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**NON CURRENT ASSETS**

Prepaid leasing payments (*)	222	299	280
Employees benefits assets, net	172	244	211
Property and equipment (*)	78,810	79,096	78,875
Goodwill	3,626	3,594	3,492
Intangible assets	3,821	3,908	4,027
Deffered taxes	<u>5,388</u>	<u>6,901</u>	<u>7,080</u>
	92,039	94,042	93,965
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	366,653	387,894	381,241
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.712 NIS =1 US\$

(\*) Comparative figures were reclassified

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

	<u>September 30<sup>th</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	47,183	46,025	45,794
Current maturities of debentures	17,256	22,453	22,600
Trade payables	26,281	20,919	26,823
Other payables	<u>11,395</u>	<u>7,573</u>	<u>9,089</u>
	102,115	96,970	104,306
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**NON CURRENT LIABILITIES**

Long - term loans from banks and others	79,009	82,466	82,426
Debentures	26,878	44,556	41,008
Deferred taxes	<u>6,999</u>	<u>6,640</u>	<u>6,900</u>
	112,886	133,662	130,334
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**TOTAL LIABILITIES**

	215,001	230,632	234,640
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**EQUITY**

Issued share capital	3,967	3,967	3,967
Premium and capital funds	98,202	98,202	98,202
Retained earnings	52,825	58,475	49,749
Foreign currency translation fund	<u>(3,342)</u>	<u>(3,382)</u>	<u>(5,317)</u>
	151,652	157,262	146,601
	-----	-----	-----
	366,653	387,894	381,241
	=====	=====	=====

November 27<sup>th</sup>, 2011

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

	<b>For the</b>	<b>For the nine</b>	<b>For the three Months</b>		<b>For the year ended</b>
	<b>Months ended</b>	<b>Months ended</b>	<b>September 30<sup>th</sup></b>		<b>December 31<sup>st</sup></b>
	<b>September 30<sup>th</sup></b>	<b>September 30<sup>th</sup></b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>

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

Sales turnover	213,875	194,679	71,631	62,654	261,996
Cost of goods sold	<u>159,072</u>	<u>145,034</u>	<u>54,230</u>	<u>46,926</u>	<u>194,673</u>
Gross profit	54,803	49,645	17,401	15,728	67,323
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Selling and marketing expenses	28,526	27,183	9,646	9,102	36,846
General and administrative expenses	9,870	10,005	2,877	3,294	13,818
Other expenses (income), net	39	(282)	(1)	19	(297)
Reorganisation expenses	<u>106</u>	=	=	=	<u>514</u>
	38,541	36,906	12,522	12,415	50,881
Operating income (loss)	16,262	12,739	4,879	3,313	16,442
	=====	=====	=====	=====	=====
Finance income	939	2,201	383	1,825	2,405
Finance expenses	<u>9,279</u>	<u>8,594</u>	<u>3,464</u>	<u>3,915</u>	<u>11,217</u>
	8,340	6,393	3,081	2,090	8,812
Income (Loss) before taxes on income	7,922	6,346	1,798	1,223	7,630
Taxes on income (Tax Benefit)	<u>1,912</u>	<u>1,876</u>	<u>498</u>	<u>355</u>	<u>2,995</u>
Net income (Loss)	6,010	4,470	1,300	868	4,635
	=====	=====	=====	=====	=====
<b><u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u></b>					
Basic and Deluted income (Loss)	0.55	0.41	0.12	0.08	0.43
	=====	=====	=====	=====	=====