

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE SIX MONTHS ENDED JUNE 30th, 2012

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

	<u>June 30th</u>	<u>December 31st</u>
	<u>2012</u>	<u>2011</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2011</u>
		<u>Audited</u>
<u>In Thousands of US dollars</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	30,618	37,001
Marketable securities	1,842	6,580
Trade receivables, net	83,956	71,741
Other receivables	4,937	3,780
Inventory	<u>140,060</u>	<u>139,146</u>
	261,413	250,926
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<u>NON CURRENT ASSETS</u>		
Prepaid leasing payments	156	228
Employees benefits assets, net	-	182
Property and equipment	73,694	74,559
Goodwill	1,125	3,247
Intangible assets	3,435	3,687
Deffered taxes	<u>3,952</u>	<u>5,547</u>
	82,362	83,759
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	343,775	334,685
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The amounts were translated into US \$ at a rate of 3.923 NIS =1 US\$

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

	<u>2012</u>	<u>2011</u>	
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>

In Thousands of US dollars

CURRENT LIABILITIES

Short - term credit from banks and others	49,735	45,337	43,716
Current maturities of debentures	8,587	16,710	12,551
Trade payables	31,533	23,032	22,649
Other payables	<u>7,841</u>	<u>8,085</u>	<u>9,820</u>
	97,696	93,164	88,736
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NON CURRENT LIABILITIES

Long - term loans from banks and others	88,834	76,490	76,403
Debentures	17,127	26,697	25,388
Employee benefits liabilities	7	-	3
Deferred taxes	<u>9,266</u>	<u>6,405</u>	<u>9,156</u>
	115,234	109,592	110,950
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TOTAL LIABILITIES

	212,930	202,756	199,686
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EQUITY

Issued share capital	3,753	3,753	3,753
Premium and capital funds	92,920	92,920	92,920
Treasury stock	(55)	-	(55)
Retained earnings	36,291	51,531	41,808
Foreign currency translation fund	<u>(2,064)</u>	<u>(5,262)</u>	<u>(3,427)</u>
	130,845	142,942	134,999
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	343,775	345,698	334,685
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August 26th, 2012

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2011</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	147,610	134,593	74,721	65,497	267,470
Cost of goods sold	<u>113,175</u>	<u>99,202</u>	<u>57,521</u>	<u>48,594</u>	<u>199,775</u>
Gross profit	34,435	35,391	17,200	16,903	67,695
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Selling and marketing expenses	19,177	17,864	9,515	8,877	36,309
General and administrative expenses	<u>6,874</u>	<u>6,617</u>	<u>3,393</u>	<u>3,121</u>	<u>12,719</u>
Operating income before other expenses	8,384	10,910	4,292	4,905	18,667
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Other expenses (income), net	(5)	139	(9)	53	2,487
Operating income	<u>8,389</u>	<u>10,772</u>	<u>4,301</u>	<u>4,852</u>	<u>16,180</u>
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Finance income	492	526	218	260	1,180
Finance expenses	<u>4,678</u>	<u>5,502</u>	<u>2,869</u>	<u>2,937</u>	<u>11,205</u>
	4,186	4,976	2,651	2,677	10,025
Income before taxes on income	4,203	5,795	1,650	2,175	6,155
Taxes on income	<u>1,394</u>	<u>1,338</u>	<u>525</u>	<u>520</u>	<u>5,869</u>
Net income	<u>2,809</u>	<u>4,458</u>	<u>1,125</u>	<u>1,655</u>	<u>286</u>
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Net income per share attributed to the company's shareholders (NIS)

Basic and Deluted income	<u>0.26</u>	<u>0.41</u>	<u>0.10</u>	<u>0.15</u>	<u>0.03</u>
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