

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF
INCOME FOR THE YEAR ENDED DECEMBER 31st, 2013

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SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st****2013**
Audited**2012**
Audited**In Thousands of US dollars****CURRENT ASSETS**

Cash and cash equivalents	44,559	48,114
Marketable securities	2,727	2,148
Trade receivables, net	103,955	91,985
Other receivables	4,694	4,090
Inventory	<u>151,406</u>	<u>151,582</u>
	307,341	297,919
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NON CURRENT ASSETS

Prepaid rental payments	52	135
Employee benefits assets	97	42
Property and equipment	79,917	81,565
Goodwill	1,235	1,278
Intangible assets	3,438	3,699
Deferred taxes	<u>1,477</u>	<u>1,731</u>
	86,216	88,450
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	393,557	386,369
	=====	=====

The amounts were translated into US \$ at a rate of 3.471 NIS =1 US\$

SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st**

	<u>2013</u>	<u>2012</u>
	<u>Audited</u>	<u>Audited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks	3,502	3,618
Current maturities of long term loans from banks, debentures and others	62,165	61,199
Trade payables	32,851	26,210
Other payables	11,235	9,612
Dividends payables	<u>5,772</u>	-
	115,525	100,639
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NON CURRENT LIABILITIES

Long - term loans from banks and others	113,986	107,772
Debentures	9,886	19,404
Deferred taxes	<u>9,976</u>	<u>9,497</u>
	133,848	136,673
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TOTAL LIABILITIES

	249,373	237,312
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EQUITY

Share capital	4,242	4,242
Premium and capital funds	105,020	105,020
Retained earnings	43,715	43,812
Foreign currency translation fund	(8,731)	(3,955)
Treasury stock	<u>(62)</u>	<u>(62)</u>
	144,184	149,057
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	393,557	386,369
	=====	=====

March 23th 2014

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

	For the year ended December 31st <u>2013</u> <u>Audited</u>	For the year ended December 31st <u>2012</u> <u>Audited</u>	For the year ended December 31st <u>2011</u> <u>Audited</u>
<u>In Thousands of US dollars (except Earnings (Loss) Per Share data)</u>			
Sales turnover	372,386	333,731	302,300
Cost of goods sold	<u>287,020</u>	<u>257,983</u>	<u>225,750</u>
Gross profit	85,366 -----	75,748 -----	76,550 -----
Selling and marketing expenses	44,122	43,189	40,835
General and administrative expenses	<u>14,863</u>	<u>15,123</u>	<u>14,315</u>
Operating income before other expenses	26,381 -----	17,436 -----	21,400 -----
Other expenses, net	256	101	2,810
Operating income	26,125 -----	17,335 -----	18,590 -----
Finance income	1,421	1,144	1,334
Finance expenses	<u>8,976</u> 7,555	<u>9,538</u> 8,394	<u>12,664</u> 11,330
Income before taxes on income	18,570	8,941	7,260
Taxes on income	<u>5,054</u>	<u>2,977</u>	<u>6,710</u>
Net income	13,516 -----	5,694 -----	550 -----
<u>Net income per share attributed to the company's shareholders (NIS)</u>			
Basic income per share	1.24 =====	0.55 =====	0.05 =====
Deluted income per share	1.24 =====	0.55 =====	0.05 =====