

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMERY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE SIX MONTHS ENDED JUNE 30th, 2014

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

	<u>June 30th</u>	<u>December 31st</u>	
	<u>2014</u>	<u>2013</u>	
	<u>Unaudited</u>	<u>Unaudited</u>	
		<u>2013</u>	
		<u>Audited</u>	
<u>In Thousands of US dollars</u>			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	66,248	59,178	44,986
Marketable securities	2,955	2,645	2,754
Trade receivables, net	108,871	109,167	104,953
Other receivables	6,025	5,015	4,739
Inventory	<u>153,839</u>	<u>152,877</u>	<u>152,858</u>
	337,938	328,882	310,290
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<u>NON CURRENT ASSETS</u>			
Prepaid leasing payments	23	95	53
Employees benefits assets, net	92	46	98
Property and equipment	80,712	80,230	80,684
Goodwill	1,240	1,262	1,247
Intangible assets	3,303	3,680	3,471
Deffered taxes	<u>1,710</u>	<u>1,523</u>	<u>1,491</u>
	87,080	86,836	87,044
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	425,018	415,718	397,334
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The amounts were translated into US \$ at a rate of 3.438 NIS =1 US\$

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

	<u>June 30th</u>		<u>December 31st</u>
	<u>2014</u>	<u>2013</u>	<u>2013</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks	4,557	4,999	3,535
Current maturities of long term loans from banks, debentures and others	69,906	64,424	62,761
Trade payables	38,325	38,294	33,166
Other payables	13,039	10,109	11,343
Dividends payable	<u>12,675</u>	<u>7,917</u>	<u>5,827</u>
	138,502	125,743	116,632
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NON CURRENT LIABILITIES

Long - term loans from banks and others	144,131	123,200	115,080
Debentures	-	9,854	9,982
Deferred taxes	<u>9,915</u>	<u>9,564</u>	<u>10,072</u>
	154,046	142,618	135,134
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TOTAL LIABILITIES

	292,548	268,361	251,766
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EQUITY

Issued share capital	4,283	4,283	4,283
Premium and capital funds	106,060	106,028	106,028
Treasury stock	-	(63)	(63)
Retained earnings	31,778	44,620	44,135
Foreign currency translation fund	<u>(9,651)</u>	<u>(7,511)</u>	<u>(8,815)</u>
	132,470	147,357	145,568
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	425,018	415,718	397,334
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August 28th, 2014

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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2013</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	197,135	189,895	97,363	97,044	375,960
Cost of goods sold	<u>153,713</u>	<u>146,561</u>	<u>75,869</u>	<u>74,995</u>	<u>289,775</u>
Gross profit	43,422	43,334	21,494	22,049	86,185
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Selling and marketing expenses	23,379	21,653	11,735	10,921	44,545
General and administrative expenses	<u>7,602</u>	<u>7,304</u>	<u>3,877</u>	<u>3,677</u>	<u>15,005</u>
Operating income before other expenses (income)	12,441	14,377	5,882	7,451	26,635
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Other expenses (income), net	(38)	59	(40)	34	259
Operating income	12,479	14,318	5,922	7,417	26,376
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Finance income	516	722	251	242	1,434
Finance expenses	<u>3,830</u>	<u>4,266</u>	<u>2,198</u>	<u>2,220</u>	<u>9,062</u>
	3,314	3,544	1,947	1,978	7,628
Income before taxes on income	9,165	10,774	3,975	5,439	18,748
Taxes on income	<u>2,514</u>	<u>2,471</u>	<u>1,051</u>	<u>1,211</u>	<u>5,102</u>
Net income	<u>6,651</u>	<u>8,303</u>	<u>2,924</u>	<u>4,228</u>	<u>13,646</u>
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<u>Net income per share attributed to the company's shareholders (NIS)</u>					
Basic and Deluted income	0.61	0.76	0.27	0.39	1.25
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