

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE THREE MONTHS ENDED MARCH 31st, 2017

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

	<u>March 31st</u>		<u>December 31st</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<u>In Thousands of US dollars</u>			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	85,499	89,287	59,183
Marketable securities	3,343	2,847	3,392
Trade receivables, net	97,184	106,276	95,692
Other receivables	3,970	4,428	4,314
Inventory	<u>113,625</u>	<u>133,455</u>	<u>116,907</u>
	303,621	336,293	279,488
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<u>NON CURRENT ASSETS</u>			
Long Term investments	7,868	-	-
Prepaid leasing payments	273	372	381
Employees benefit assets, net	531	448	509
Property and equipment	87,934	90,893	89,270
Goodwill	1,121	1,150	1,133
Intangible assets	2,655	2,795	2,684
Deffered taxes	<u>1,040</u>	<u>1,125</u>	<u>1,111</u>
	101,422	96,783	95,088
	-----	-----	-----
	405,043	433,076	374,576
	=====	=====	=====

The amounts were translated into US \$ at a rate of 3.632 NIS =1 US\$

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

	<u>March 31st</u>		<u>December 31st</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>audited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short-term credit from banks	2,648	9,877	2,590
Current maturities of long term loans from banks, debentures and others	67,996	76,863	67,706
Trade payables	23,490	28,726	22,346
Other payables	<u>9,347</u>	<u>9,025</u>	<u>11,059</u>
	103,481	124,491	103,701
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NON CURRENT LIABILITIES

Long-term loans from banks and others	174,069	181,640	146,928
Deferred taxes	<u>7,315</u>	<u>7,887</u>	<u>7,309</u>
	181,384	189,527	154,237
	-----	-----	-----

TOTAL LIABILITIES

	284,865	314,018	257,938
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EQUITY

Share capital	4,054	4,054	4,054
Premium and capital funds	100,395	100,395	100,395
Retained earnings	30,947	24,392	23,581
Foreign currency translation fund	<u>(15,218)</u>	<u>(9,783)</u>	<u>(11,392)</u>
	120,178	119,058	116,638
	-----	-----	-----
	405,043	433,076	374,576
	=====	=====	=====

May 15th, 2017

SCOPE METALS GROUP LTD.**STATEMENT OF INCOME****Consolidated**For the three months ended
March 31For the year ended
December 312017
Unaudited2016
Unaudited2016
audited**In Thousands of US dollars (except Earnings Per Share data)**

Sales turnover	89,716	96,612	360,100
Cost of goods sold	<u>63,294</u>	<u>73,416</u>	<u>265,687</u>
Gross profit	26,422 -----	23,196 -----	94,413 -----
Selling and marketing expenses	11,206	11,697	45,168
General and administrative expenses	<u>3,909</u>	<u>3,835</u>	<u>15,276</u>
Operating income before other expenses	11,307 -----	7,664 -----	33,969 -----
Other expenses (income), net	233	(23)	108
Operating income	11,074 -----	7,687 -----	33,861 -----
Finance income	256	334	713
Finance expenses	<u>2,301</u>	<u>2,217</u>	<u>7,972</u>
	2,045	1,883	7,259
Income before taxes on income	9,029	5,804	26,602
Taxes on income	<u>1,662</u>	<u>676</u>	<u>4,235</u>
Net income	7,367 -----	5,128 -----	22,367 -----
<u>Net income per share attributed to the company's shareholders (NIS)</u>			
Basic and Diluted income per share	0.68 =====	0.47 =====	2.05 =====