

**SCOPE METAL TRADING & TECHNICAL SERVICES LTD.**

**AND ITS CONSOLIDATED COMPANIES**

**SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF  
INCOME FOR THE YEAR 2006**

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**SCOPE METAL TRADING & TECHNICAL SERVICES LTD.****BALANCE SHEET**

	<b>Consolidated</b>	
	<b>As of December 31<sup>st</sup></b>	
	<b>2006</b>	<b>2005</b>
	<b>In Thousands of US dollars</b>	
	<b>Audited</b>	<b>Audited</b>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	8,060	27,138
Marketable securities	49,882	8,654
Trade debtors	83,469	57,466
Other receivables	6,986	4,021
Inventory	<u>138,088</u>	<u>90,380</u>
	286,485	187,659
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<b><u>INVESTMENTS, LOANS AND LONG</u></b>		
<b><u>TERM RECEIVABLES</u></b>		
Deffered taxes	4	-
Investment in consolidated companies	-	-
Advanced lease and rental payments	<u>155</u>	<u>-</u>
	159	-
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<b><u>FIXED ASSETS, NET</u></b>	48,971	43,477
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<b><u>OTHER ASSETS, NET</u></b>	3,697	1,165
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	<u>339,312</u>	<u>232,301</u>
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The amounts were translated into US \$ at a rate of 4.225 NIS =1 US\$

**SCOPE METAL TRADING & TECHNICAL SERVICES LTD.****BALANCE SHEET**

	<b><u>Consolidated</u></b>	
	<b><u>As of December 31<sup>st</sup></u></b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b><u>In Thousands of US dollars</u></b>	
	<b><u>Audited</u></b>	<b><u>Audited</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Short term credit from banks	37,898	22,836
Current maturities of debentures	4,265	16,384
Trade and service creditors	35,966	20,503
Other payables	<u>7,842</u>	<u>6,633</u>
	85,971	66,356
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<b><u>LONG TERM LIABILITIES</u></b>		
Long term loans from banks and others	72,408	48,850
Deferred taxes	1,475	1,081
Liability for employee severance pay, Net	1,045	610
Debentures	<u>42,151</u>	<u>46,478</u>
	117,079	97,019
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<b><u>MINORITY INTEREST</u></b>	-	117
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<b><u>SHAREHOLDER'S EQUITY</u></b>	136,262	68,809
	<u>-----</u>	<u>-----</u>
	<u>339,312</u>	<u>232,301</u>
	=====	=====

**MARCH 11, 2007**

**SCOPE METAL TRADING & TECHNICAL SERVICES LTD.****STATEMENT OF INCOME**

	<b><u>Consolidated</u></b>		
	<b>For the year ended</b>		
	<b><u>December 31<sup>st</sup></u></b>		
	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b><u>In Thousands of US dollars</u></b>		
	<b><u>Audited</u></b>	<b><u>Audited</u></b>	<b><u>Audited</u></b>
Sales turnover	246,616	142,922	118,624
Cost of sales	<u>170,425</u>	<u>100,812</u>	<u>77,309</u>
Gross profit	76,191	42,110	41,315
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Selling and marketing expenses	25,647	14,592	10,608
General and administrative expenses	<u>10,147</u>	<u>6,632</u>	<u>4,981</u>
	35,794	21,224	15,589
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Operating income before finance expenses	40,397	20,885	25,726
Finance expenses, net	<u>8,389</u>	<u>7,085</u>	<u>3,069</u>
	32,008	13,800	22,657
Other expenses , net	<u>314</u>	<u>(8)</u>	<u>(1,036)</u>
Income before taxes on income	32,322	13,792	21,621
Taxes on income	<u>9,680</u>	<u>3,767</u>	<u>7,940</u>
Net operating income	22,642	10,025	13,681
Minority participation	(15)	(82)	(3)
Participation in the net (loss) income of affiliated companies	-	-	-
Net income	<u>22,627</u>	<u>9,943</u>	<u>13,678</u>
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<u>Earnings per share</u>	2.32	1.42	2.14
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