

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30th, 2009

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

	<u>September 30th</u>	<u>December 31st</u>
	<u>2009</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>
		<u>2008</u>
		<u>Audited</u>

In Thousands of US dollars**CURRENT ASSETS**

Cash and cash equivalents	55,025	13,139	33,916
Fair value of marketable securities	2,319	13,710	13,514
Trade receivables, net	63,847	118,714	84,458
Other receivables	7,235	9,417	10,926
Inventory	<u>186,048</u>	<u>225,780</u>	<u>224,583</u>
	314,474	380,760	367,397
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LONG -TERM ASSETS

Prepaid rental payments	11,406	9,325	11,233
Employees benefits assets	201	-	-
Property and equipment, net	69,800	72,317	72,671
Goodwill	3,640	3,388	3,611
Intangible assets, net	4,050	4,348	4,346
Deferred taxes	<u>7,967</u>	<u>3,740</u>	<u>7,594</u>
	97,064	93,118	99,455
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	411,538	473,878	466,852
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The amounts were translated into US \$ at a rate of 3.758 NIS =1 US\$

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

	<u>September 30th</u>		<u>December 31st</u>
	<u>2009</u>	<u>2008</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks and others	59,922	66,529	68,441
Current portion of debentures	12,885	17,356	13,684
Trade payables	23,954	36,823	39,964
Other payables	<u>6,155</u>	<u>10,337</u>	<u>10,051</u>
	102,916	131,045	132,140
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LONG - TERM LIABILITIES

Long - term loans from banks and others	81,242	95,308	92,894
Debentures	61,165	71,623	71,329
Long - term operating lease	389	367	379
Accrued severance pay, Net	-	146	279
Deferred taxes	<u>5,878</u>	<u>5,635</u>	<u>6,613</u>
	148,674	173,079	171,494
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TOTAL LIABILITIES

	251,590	304,124	303,634
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SHAREHOLDERS' EQUITY

Share capital	3,918	3,918	3,918
Additional paid in capital and capital funds	90,985	87,817	87,817
Warrants	6,015	9,183	9,183
Retained earnings	60,087	78,020	64,412
Foreign currency translation fund	<u>(1,057)</u>	<u>(9,184)</u>	<u>(2,112)</u>
	159,948	169,754	163,218
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	411,538	473,878	466,852
	=====	=====	=====

November 30th 2009

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

	<u>Consolidated</u>				
	For the nine Months ended September 30th		For the three Months ended September 30th		For the year ended December 31st
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<u>In Thousands of US dollars (except Earnings (Loss) Per Share data)</u>					
Revenues	165,748	282,045	55,298	91,517	353,605
Cost of goods sold	<u>127,837</u>	<u>210,432</u>	<u>41,574</u>	<u>68,386</u>	<u>280,107</u>
Gross profit	37,911	71,613	13,724	23,131	73,498
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Warehouse, delivery, seling and marketing expenses	26,340	32,987	8,401	11,137	43,882
General and administrative expenses	8,858	11,694	2,143	4,213	18,168
Other (income) expenses, net	<u>86</u>	<u>(12)</u>	<u>(11)</u>	<u>(20)</u>	<u>70</u>
Operating income	2,627	26,944	3,191	7,801	11,378
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Finance income	4,211	4,104	401	908	1,639
Finance expenses	<u>12,379</u>	<u>19,397</u>	<u>3,582</u>	<u>8,422</u>	<u>20,533</u>
Income (Loss) before taxes on income	(5,541)	11,651	10	287	(7,516)
Income Taxes (Tax Benefit)	<u>(1,216)</u>	<u>3,105</u>	<u>(1,080)</u>	<u>235</u>	<u>(2,453)</u>
Net income (Loss)	(4,325)	8,546	1,090	52	(5,063)
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<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>					
Basic & Deluted Earnings (Loss) per share	(0.40)	0.78	0.10	0.01	(0.47)
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