

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMERY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE THREE MONTHS ENDED MARCH 31st, 2009

CONTENTS

	<u>Page</u>
Balance Sheets – consolidated	2-3
Statements of income – consolidated	4

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

	<u>March 31st</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	32,650	6,596	30,434
Marketable securities	1,664	12,393	12,127
Trade receivables, net	63,130	102,906	75,787
Other receivables	9,352	11,449	9,804
Inventory	<u>191,855</u>	<u>212,844</u>	<u>201,523</u>
	298,651	346,188	329,675
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LONG -TERM ASSETS

Prepaid rental payments	10,217	8,494	10,080
Employees benefits assets	180	17	-
Property and equipment, net	65,297	62,511	65,209
Goodwill	3,489	3,148	3,241
Intangible assets, net	3,884	3,801	3,900
Deffered taxes	<u>7,305</u>	<u>2,739</u>	<u>6,814</u>
	90,372	80,710	89,244
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	389,023	426,898	418,919
	=====	=====	=====

The amounts were translated into US \$ at a rate of 4.188 NIS =1 US\$

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

	<u>March 31st</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 LIABILITIES**

Short - term credit from banks and others	63,687	49,071	61,414
Current portion of debentures	11,077	11,795	12,279
Trade payables	20,133	38,347	35,861
Other payables	<u>5,901</u>	<u>7,678</u>	<u>9,018</u>
	100,798	106,891	118,572
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LONG - TERM LIABILITIES

Long - term loans from banks and others	80,219	97,891	83,356
Debentures	55,699	64,419	64,005
Long - term operating lease	344	307	340
Accrued severance pay, Net	-	120	251
Deferred taxes	<u>6,347</u>	<u>4,474</u>	<u>5,934</u>
	142,609	167,211	153,886
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TOTAL LIABILITIES

	243,407	274,102	272,458
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SHAREHOLDERS' EQUITY

Share capital	3,516	3,516	3,516
Additional paid in capital and capital funds	78,801	78,801	78,801
Warrants	8,240	8,240	8,240
Retained earnings	54,358	67,233	57,798
Foreign currency translation fund	<u>701</u>	<u>(4,994)</u>	<u>(1,894)</u>
	145,616	152,796	146,461
	-----	-----	-----
	389,023	426,898	418,919
	=====	=====	=====

May 31st 2009

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

	For the three Months ended March 31		For the year ended December 31
	<u>2009</u>	<u>2008</u>	<u>2008</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>

**In Thousands of US dollars (except Earnings
(Loss) Per Share data)**

Revenues	52,351	83,159	317,299
Cost of goods sold	<u>41,546</u>	<u>63,534</u>	<u>251,347</u>
Gross profit	10,805	19,625	65,952
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Warehouse, delivery, seling and marketing expenses	8,321	9,752	39,376
General and administrative expenses	3,100	3,332	16,303
Other expenses, net	<u>44</u>	<u>7</u>	<u>64</u>
Operating income (Loss)	(660)	6,534	10,209
	=====	=====	=====
Finance income	1,792	2,861	1,470
Finance expenses	<u>4,732</u>	<u>5,905</u>	<u>18,423</u>
Income (Loss) before taxes on income	(3,600)	3,490	(6,744)
Income Taxes (Tax Benefit)	<u>(160)</u>	<u>987</u>	<u>(2,201)</u>
Net income (Loss)	(3,440)	2,503	(4,543)
	=====	=====	=====
<u>Net income (Loss) per share attributed to the company's shareholders (NIS)</u>			
Basic Earnings (Loss) per share	(0.32)	0.23	(0.42)
	=====	=====	=====
Deluted Earnings (Loss) per share	(0.32)	0.23	(0.42)
	=====	=====	=====