

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF
INCOME FOR THE YEAR ENDED DECEMBER 31st, 2012

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SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st****2012** **2011**
Audited **Audited****In Thousands of US dollars****CURRENT ASSETS**

Cash and cash equivalents	44,737	40,589
Marketable securities	1,997	1,935
Trade receivables, net	85,529	75,375
Other receivables	3,803	3,683
Inventory	<u>140,943</u>	<u>142,115</u>
	277,009	263,697
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NON CURRENT ASSETS

Prepaid rental payments	125	202
Employee benefits assets	39	-
Property and equipment	75,840	78,577
Goodwill	1,189	1,181
Intangible assets	3,439	3,736
Deferred taxes	<u>2,721</u>	<u>4,327</u>
	83,353	88,023
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	360,362	351,720
	=====	=====

The amounts were translated into US \$ at a rate of 3.733 NIS =1 US\$

SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st**

	<u>2012</u>	<u>2011</u>
	<u>Audited</u>	<u>Audited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks and others	51,227	45,941
Current maturities of debentures	9,041	13,190
Trade payables	24,370	23,802
Other payables	<u>8,938</u>	<u>10,319</u>
	93,576	93,252
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NON CURRENT LIABILITIES

Long - term loans from banks and others	100,208	80,291
Debentures	18,042	26,680
Employee benefits liabilities	-	3
Deferred taxes	<u>9,941</u>	<u>9,623</u>
	128,191	116,597
	-----	-----

TOTAL LIABILITIES

	221,767	209,849
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EQUITY

Share capital	3,944	3,944
Premium and capital funds	97,649	97,649
Retained earnings	40,737	43,935
Foreign currency translation fund	(3,677)	(3,599)
Treasury stock	<u>(58)</u>	<u>(58)</u>
	138,595	141,871
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	360,362	351,720
	=====	=====

March 21th 2013

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

	For the year ended December 31 st <u>2012</u> <u>Audited</u>	For the year ended December 31 st <u>2011</u> <u>Audited</u>	For the year ended December 31 st <u>2010</u> <u>Audited</u>
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In Thousands of US dollars (except Earnings (Loss) Per Share data)

Sales turnover	310,309	281,084	260,522
Cost of goods sold	<u>239,876</u>	<u>209,944</u>	<u>193,578</u>
Gross profit	70,433 -----	71,140 -----	66,944 -----
Selling and marketing expenses	40,153	38,157	36,638
General and administrative expenses	<u>14,060</u>	<u>13,367</u>	<u>13,740</u>
Operating income before other expenses	16,220 -----	19,616 -----	16,566 -----
Other expenses, net	94	2,613	216
Operating income	16,126 -----	17,003 -----	16,350 -----
Finance income	1,063	1,240	1,919
Finance expenses	<u>8,868</u> 7,805	<u>11,775</u> 10,535	<u>10,682</u> 8,763
Income before taxes on income	8,321	6,468	7,587
Taxes on income	<u>2,769</u>	<u>6,168</u>	<u>2,978</u>
Net income	5,552 -----	300 -----	4,609 -----
<u>Net income per share attributed to the company's shareholders (NIS)</u>			
Basic income per share	0.51 =====	0.03 =====	0.42 =====
Deluted income per share	0.51 =====	0.03 =====	0.42 =====