

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE THREE MONTHS ENDED MARCH 31st, 2013

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

| | <u>March 31st</u> | | <u>December 31st</u> |
|--|------------------------------|------------------|---------------------------------|
| | <u>2013</u> | <u>2012</u> | <u>2012</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 | 34,432 | 41,510 | 45,780 |
| Marketable securities | 2,448 | 2,037 | 2,044 |
| Trade receivables, net | 98,635 | 85,005 | 87,522 |
| Other receivables | 3,622 | 4,537 | 3,891 |
| Inventory | <u>142,453</u> | <u>144,848</u> | <u>144,227</u> |
| | 281,590 | 277,937 | 283,464 |
| | ----- | ----- | ----- |
| <u>NON CURRENT ASSETS</u> | | | |
| Prepaid leasing payments | 109 | 186 | 128 |
| Employees benefits assets, net | 42 | - | 40 |
| Property and equipment | 76,276 | 79,624 | 77,607 |
| Goodwill | 1,188 | 1,225 | 1,216 |
| Intangible assets | 3,502 | 3,803 | 3,519 |
| Deffered taxes | <u>2,583</u> | <u>4,125</u> | <u>2,785</u> |
| | 83,700 | 88,963 | 85,295 |
| | ----- | ----- | ----- |
| | 365,290 | 366,900 | 368,759 |
| | ===== | ===== | ===== |

The amounts were translated into US \$ at a rate of 3.648 NIS =1 US\$

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

| | <u>March 31st</u> | | <u>December 31st</u> |
|--|------------------------------|------------------|---------------------------------|
| | <u>2013</u> | <u>2012</u> | <u>2012</u> |
| | <u>Unaudited</u> | <u>Unaudited</u> | <u>audited</u> |

In Thousands of US dollars**CURRENT LIABILITIES**

| | | | |
|---|---------|--------------|--------|
| Short-term credit from banks | 3,668 | 4,103 | 3,442 |
| Current maturities of long term loans from banks, debentures and others | 56,081 | 55,960 | 58,230 |
| Trade payables | 36,266 | 29,910 | 24,938 |
| Other payables | 7,610 | 7,805 | 9,146 |
| Dividends payables | = | <u>8,953</u> | = |
| | 103,625 | 106,731 | 95,756 |
| | ----- | ----- | ----- |

NON CURRENT LIABILITIES

| | | | |
|---|---------------|--------------|---------------|
| Long - term loans from banks and others | 99,319 | 94,079 | 102,542 |
| Debentures | 9,218 | 18,186 | 18,462 |
| Employee benefits liabilities | - | 18 | - |
| Deferred taxes | <u>10,091</u> | <u>9,812</u> | <u>10,174</u> |
| | 118,628 | 122,095 | 131,178 |
| | ----- | ----- | ----- |

TOTAL LIABILITIES

| | | | |
|--|---------|---------|---------|
| | 222,253 | 228,826 | 226,934 |
| | ----- | ----- | ----- |

EQUITY

| | | | |
|-----------------------------------|----------------|----------------|----------------|
| Issued share capital | 4,036 | 4,036 | 4,036 |
| Premium and capital funds | 99,925 | 99,925 | 99,925 |
| Retained earnings | 45,527 | 37,816 | 41,687 |
| Treasury stock | (59) | (59) | (59) |
| Foreign currency translation fund | <u>(6,392)</u> | <u>(3,644)</u> | <u>(3,764)</u> |
| | 143,037 | 138,074 | 141,825 |
| | ----- | ----- | ----- |
| | 365,290 | 366,900 | 368,759 |
| | ===== | ===== | ===== |

May 2th, 2013

SCOPE METALS GROUP LTD.**STATEMENT OF INCOME****Consolidated**For the three Months ended
March 31For the year ended
December 31**2013**
Unaudited**2012**
Unaudited**2012**
audited**In Thousands of US dollars (except Earnings Per Share data)**

| | | | |
|--|---------------|---------------|----------------|
| Sales turnover | 87,506 | 78,384 | 317,539 |
| Cost of goods sold | <u>67,447</u> | <u>59,850</u> | <u>245,467</u> |
| Gross profit | 20,059 | 18,534 | 72,072 |
| | ----- | ----- | ----- |
| Selling and marketing expenses | 10,115 | 10,390 | 41,093 |
| General and administrative expenses | <u>3,418</u> | <u>3,743</u> | <u>14,389</u> |
| Operating income before other expenses | 6,526 | 4,401 | 16,590 |
| | ----- | ----- | ----- |
| Other expenses, net | 23 | 4 | 96 |
| Operating income | 6,503 | 4,397 | 16,494 |
| | ===== | ===== | ===== |
| Finance income | 452 | 552 | 1,088 |
| Finance expenses | <u>1,928</u> | <u>2,204</u> | <u>9,075</u> |
| | 1,476 | 1,652 | 7,987 |
| Income before taxes on income | 5,027 | 2,745 | 8,507 |
| Taxes on income | <u>1,187</u> | <u>934</u> | <u>2,832</u> |
| Net income | 3,840 | 1,811 | 5,675 |
| | ===== | ===== | ===== |
| <u>Net income per share attributed to the company's shareholders (NIS)</u> | | | |
| Basic and Diluted income per share | 0.35 | 0.17 | 0.52 |
| | ===== | ===== | ===== |