

**SCOPE METALS GROUP LTD.**  
**AND ITS SUBSIDIARIES**

**SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF**  
**INCOME FOR THE YEAR ENDED DECEMBER 31<sup>st</sup>, 2016**

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**SCOPE METALS GROUP LTD.****BALANCE SHEET****Consolidated****December 31<sup>st</sup>****2016**  
**Audited****2015**  
**Audited****In Thousands of US dollars****CURRENT ASSETS**

Cash and cash equivalents	55,904	57,607
Marketable securities	3,204	2,568
Trade receivables, net	90,391	96,021
Other receivables	4,075	3,273
Inventory	<u>110,431</u>	<u>132,168</u>
	264,005	291,637
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**NON CURRENT ASSETS**

Prepaid payments	360	364
Employee benefits assets	481	392
Property and equipment	84,325	85,804
Goodwill	1,070	1,083
Intangible assets	2,535	2,662
Deferred taxes	<u>1,049</u>	<u>1,083</u>
	89,820	91,388
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	<u>353,825</u>	<u>383,025</u>
	=====	=====

The amounts were translated into US \$ at a rate of 3.845 NIS =1 US\$

**SCOPE METALS GROUP LTD.****BALANCE SHEET****Consolidated****December 31<sup>st</sup>**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>Audited</u></b>	<b><u>Audited</u></b>

**In Thousands of US dollars****CURRENT LIABILITIES**

Short - term credit from banks	2,447	7,115
Current maturities of long term loans from banks, debentures and others	63,955	68,190
Trade payables	21,108	29,354
Other payables	<u>10,445</u>	<u>7,955</u>
	97,955	112,614
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**NON CURRENT LIABILITIES**

Long - term loans from banks and others	138,789	153,049
Deferred taxes	<u>6,905</u>	<u>7,944</u>
	145,694	160,993
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**TOTAL LIABILITIES**

	243,649	273,607
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**EQUITY**

Share capital	3,829	3,829
Premium and capital funds	94,834	94,834
Retained earnings	22,274	18,197
Foreign currency translation fund	<u>(10,761)</u>	<u>(7,442)</u>
	110,176	109,418
	-----	-----

	353,825	383,025
	=====	=====

March 22<sup>th</sup> 2017

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

	For the year ended December 31 <sup>st</sup> <u>2016</u> <u>Audited</u>	For the year ended December 31 <sup>st</sup> <u>2015</u> <u>Audited</u>	For the year ended December 31 <sup>st</sup> <u>2014</u> <u>Audited</u>
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**In Thousands of US dollars (except Earnings Per Share data)**

Sales turnover	340,152	373,654	355,310
Cost of goods sold	<u>250,969</u>	<u>293,030</u>	<u>277,555</u>
Gross profit	89,183 -----	80,624 -----	77,755 -----
Selling and marketing expenses	42,666	43,062	42,506
General and administrative expenses	<u>14,430</u>	<u>14,720</u>	<u>13,956</u>
Operating income before other expenses	32,087 -----	22,842 -----	21,293 -----
Other expenses (income), net	102	1,126	(91)
Operating income	31,985 -----	21,716 -----	21,384 -----
Finance income	673	746	446
Finance expenses	<u>7,530</u> 6,857	<u>7,570</u> 6,824	<u>7,299</u> 6,853
Income before taxes on income	25,128	14,892	14,531
Taxes on income	<u>4,001</u>	<u>4,322</u>	<u>3,676</u>
Net income	21,127 -----	10,570 -----	10,855 -----
<u>Net income per share attributed to the company's shareholders (NIS)</u>			
Basic income per share	1.94 =====	0.97 =====	0.99 =====
Deluted income per share	1.94 =====	0.97 =====	0.99 =====