

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

**SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF**  
**INCOME FOR THE SIX MONTHS ENDED JUNE 30<sup>th</sup>, 2017**

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

	<u>June 30<sup>th</sup></u>	<u>December 31<sup>st</sup></u>	
	<u>2017</u>	<u>2016</u>	
	<u>Unaudited</u>	<u>Unaudited</u>	
		<u>2016</u>	
		<u>Audited</u>	
<b><u>In Thousands of US dollars</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	67,921	90,972	61,485
Marketable securities	5,192	2,927	3,524
Trade receivables, net	88,501	103,184	99,415
Other receivables	6,126	4,399	4,481
Inventory	<u>120,263</u>	<u>133,016</u>	<u>121,455</u>
	288,003	334,498	290,360
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<b><u>NON CURRENT ASSETS</u></b>			
Long Term investments	10,918	-	-
Prepaid leasing payments	269	396	396
Employees benefits assets, net	615	483	529
Property and equipment	92,064	94,906	92,743
Goodwill	1,182	1,193	1,177
Intangible assets	2,755	2,868	2,788
Deffered taxes	<u>2,572</u>	<u>1,189</u>	<u>1,154</u>
	110,375	101,035	98,787
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	398,378	435,533	389,147
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The amounts were translated into US \$ at a rate of 3.496 NIS =1 US\$

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

	<u>2017</u>	<u>June 30<sup>th</sup></u>	<u>2016</u>	<u>December 31<sup>st</sup></u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>

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

Short - term credit from banks	2,729	7,188	2,691
Current maturities of long term loans from banks, debentures and others	66,488	77,760	70,340
Trade payables	25,961	26,888	23,215
Other payables	<u>9,476</u>	<u>9,259</u>	<u>11,487</u>
	104,654	121,095	107,733
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**NON CURRENT LIABILITIES**

Long - term loans from banks and others	168,255	182,455	152,644
Deferred taxes	<u>7,751</u>	<u>8,127</u>	<u>7,594</u>
	176,006	190,582	160,238
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**TOTAL LIABILITIES**

	280,660	311,677	267,971
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**EQUITY**

share capital	4,212	4,212	4,212
Premium and capital funds	104,301	104,301	104,301
Retained earnings	26,324	24,735	24,498
Foreign currency translation fund	<u>(17,119)</u>	<u>(9,392)</u>	<u>(11,835)</u>
	117,718	123,856	121,176
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	398,378	435,533	389,147
	=====	=====	=====

August 28<sup>th</sup>, 2017

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

	<b>For the Six Months ended June 30<sup>th</sup></b>		<b>For the three Months ended June 30<sup>th</sup></b>		<b>For the year ended December 31<sup>st</sup></b>
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2016</u></b>
	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Unaudited</u></b>	<b><u>Audited</u></b>

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

Sales turnover	178,949	194,365	85,742	93,995	374,109
Cost of goods sold	<u>126,920</u>	<u>145,101</u>	<u>61,164</u>	<u>68,829</u>	<u>276,023</u>
Gross profit	52,029	49,264	24,578	25,166	98,086
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Selling and marketing expenses	22,952	23,915	11,310	11,763	46,925
General and administrative expenses	<u>8,450</u>	<u>8,026</u>	<u>4,388</u>	<u>4,043</u>	<u>15,870</u>
Operating income before other expenses	20,627	17,323	8,880	9,360	35,291
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Other expenses, net	529	68	287	92	113
Operating income	20,098	17,255	8,593	9,268	35,178
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Finance income	372	299	192	105	741
Finance expenses	<u>4,794</u>	<u>4,386</u>	<u>2,488</u>	<u>2,235</u>	<u>8,282</u>
	4,422	4,087	2,296	2,130	7,541
Income before taxes on income	15,676	13,168	6,297	7,138	27,637
Taxes on income	<u>1,386</u>	<u>2,216</u>	<u>(341)</u>	<u>1,513</u>	<u>4,400</u>
Net income	14,290	10,952	6,638	5,625	23,237
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**Net income per share attributed to the company's shareholders (NIS)**

Basic and Diluted income per share	0.61	1.00	0.61	0.52	2.13
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