

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF INTERIM BALANCE SHEET AND STATEMENT OF
INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30th, 2017

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

	<u>September 30th</u>		<u>December 31st</u>
	<u>2017</u>	<u>2016</u>	<u>2016</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	59,504	74,810	60,910
Short Term investments	8,010	-	-
Marketable securities	5,142	3,464	3,491
Trade receivables, net	94,193	98,524	98,485
Other receivables	4,851	7,866	4,440
Inventory	<u>123,272</u>	<u>127,213</u>	<u>120,319</u>
	294,972	311,877	287,645
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<u>NON CURRENT ASSETS</u>			
Long Term investments	2,834	-	-
Prepaid leasing payments	270	383	392
Employees benefits assets, net	553	512	524
Property and equipment	92,920	92,508	91,875
Goodwill	1,186	1,177	1,166
Intangible assets	2,741	2,790	2,762
Deffered taxes	<u>2,611</u>	<u>1,209</u>	<u>1,144</u>
	103,115	98,579	97,863
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	398,087	410,456	385,508
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The amounts were translated into US \$ at a rate of 3.529 NIS =1 US\$

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

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

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks	3,866	3,898	2,666
Current maturities of long term loans from banks and others	65,315	72,729	69,682
Trade payables	26,434	27,261	22,998
Other payables	<u>11,381</u>	<u>10,117</u>	<u>11,381</u>
	106,996	114,005	106,727
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NON CURRENT LIABILITIES

Long - term loans from banks and others	167,418	167,867	151,216
Deferred taxes	<u>7,481</u>	<u>8,006</u>	<u>7,523</u>
	174,899	175,873	158,739
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TOTAL LIABILITIES

	281,895	289,878	265,466
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EQUITY

share capital	4,172	4,172	4,172
Premium and capital funds	103,325	103,325	103,325
Retained earnings	23,636	24,484	24,269
Foreign currency translation fund	<u>(14,941)</u>	<u>(11,403)</u>	<u>(11,724)</u>
	116,192	120,578	120,042
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	398,087	410,456	385,508
	=====	=====	=====

November 2th, 2017

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

	For the Nine Months ended September 30th		For the three Months ended September 30th		For the year ended December 31st
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>

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

Sales turnover	261,715	283,880	84,440	91,333	370,610
Cost of goods sold	<u>184,544</u>	<u>210,064</u>	<u>58,810</u>	<u>66,320</u>	<u>273,441</u>
Gross profit	77,171	73,816	25,630	25,013	97,169
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Selling and marketing expenses	33,756	35,165	11,020	11,474	46,486
General and administrative expenses	<u>12,475</u>	<u>11,851</u>	<u>4,104</u>	<u>3,899</u>	<u>15,722</u>
Operating income before other expenses	30,940	26,800	10,506	9,640	34,961
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Other expenses, net	675	105	151	39	112
Operating income	30,265	26,695	10,355	9,601	34,849
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Finance income	607	482	238	185	734
Finance expenses	<u>6,726</u>	<u>6,421</u>	<u>1,977</u>	<u>2,076</u>	<u>8,205</u>
	6,119	5,939	1,739	1,891	7,471
Income before taxes on income	24,146	20,756	8,616	7,710	27,378
Taxes on income	<u>3,085</u>	<u>3,752</u>	<u>1,712</u>	<u>1,556</u>	<u>4,358</u>
Net income	21,061	17,004	6,904	6,154	23,020
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Net income per share attributed to the company's shareholders (NIS)

Basic and Diluted income per share	1.93	1.56	0.63	0.56	2.11
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