The Alpine Group, Inc.
Unaudited Condensed Financial Statements
For the Quarterly Period Ended March 31, 2013

THE APLINE GROUP, INC.
UNUADITED CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2013

CONTENTS

FINANCIAL STATEMENTS

THE ALPINE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

ASSETS	March 31, 2013	December 31, 2012
Current assets:		
Cash and cash equivalents	$ 5,156	$ 2,971
Marketable securities, at fair value (Note 1)	3,512	2,099
Restricted cash (Note 1)	58	445
Accounts receivable, trade	7,232	4,440
Accounts receivable, affiliates (Note 1)	373	439
Inventories, net (Note 2)	5,441	28,562
Derivative assets (Note 6)	145	—
Prepaid expenses, deposits and other current assets	3,016	2,770
Total current assets	24,933	41,726
Property, plant and equipment, net	827	869
Investment in affiliates (Note 1)	2,004	1,912
Deferred income taxes	993	993
Goodwill	1,033	1,033
Other assets	1,262	1,420
Total assets	$ 31,052	$ 47,953
Current liabilities:		
Revolving credit facility (Note 3)	$ —	$ 11,625
Accounts payable	2,853	7,727
Accrued expenses	3,660	3,577
Derivative liabilities (Note 6)	—	283
Income tax payable	415	1,447
Deferred income taxes	6,836	6,691
Total current liabilities	13,764	31,350
Other long-term liabilities	1,003	1,100
Stockholders' equity:		
Common stock, $.10 par value; (50,000,000 shares authorized; 32,594,407 shares issued at March 31, 2013 and December 31, 2012	3,259	3,259
Capital in excess of par value	173,656	173,656
Accumulated other comprehensive loss	(1,841)	(2,058)
Accumulated deficit	(41,719)	(42,284)
Treasury stock, at cost (18,627,533 shares at March 31, 2013 and December 31, 2012)	(117,070)	(117,070)
Total stockholders' equity	16,285	15,503
Total liabilities and stockholders' equity	$ 31,052	$ 47,953

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALPINE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net sales	$ 40,421	$ 41,149
Cost of goods sold	38,453	40,423
Gross profit (loss)	1,968	726
Selling, general and administrative expenses	1,156	1,326
Operating income (loss) (Note 7)	812	(600)
Interest expense	(77)	(133)
Dividend and interest income	21	14
Realized (loss) gain on sale of investments	94	(27)
Income from stock plans of affiliate (Note 1)	92	92
Other income net	—	10
Income (loss) before income taxes	942	(644)
Income tax (provision) benefit	(377)	258
Net income (loss) (Note 7)	565	(386)
Other comprehensive income		
Change in unrealized gains and losses on securities, net of tax of ($145) and ($148) in 2013 and 2012, respectively	217	222
Comprehensive income (loss)	$ 782	$ (164)
Net income (loss) per above	$ 565	$ (386)
Preferred stock dividends	—	(13)
Net income (loss) applicable to common stock	$ 565	$ (399)
Net income (loss) per share of common stock: (Note 4)		
Basic and diluted	$ 0.04	$ (0.02)
Weighted average shares outstanding:		
Basic and diluted	16,357	17,447

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALPINE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Three Months Ended March 31, 2013	
	Shares	**Amount**
Common stock:		
Balance at beginning and end of period	32,594,407	$ 3,259
Capital in excess of par value:		
Balance at beginning and end of period		173,656
Accumulated other comprehensive loss:		
Balance at beginning of period		(2,058)
Change in unrealized gains on securities, (net of tax)		273
Realized net gains on sale of securities, (net of tax)		(56)
Balance at end of period		(1,841)
Accumulated deficit:		
Balance at beginning of period		(42,284)
Net income		565
Balance at end of period		(41,719)
Treasury stock:		
Balance at beginning and end of period	(18,627,533)	(117,070)
Total stockholders' equity		$ 16,285

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE ALPINE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Cash flows from operating activities:		
Net income (loss)	$ 565	$ (386)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Depreciation and amortization	51	73
Compensation expense related to stock options and grants	—	(27)
Income from stock plans of affiliate (Note 1)	(92)	(92)
Realized loss (gain) on investments in securities	(94)	27
LIFO and lower of cost or market adjustments	(472)	437
Change in assets and liabilities:		
Accounts receivable trade, net	(2,793)	(2,998)
Accounts receivable/payable, affiliates	67	53
Inventories, (excluding LIFO and lower of cost or market reserves)	23,593	22,621
Derivative assets and liabilities, net	(429)	245
Other current and non-current assets	104	(105)
Accounts payable	(4,873)	104
Accrued expenses	83	(375)
Income taxes – current	(1,032)	(330)
Other, net	(99)	(60)
Cash provided by operating activities	14,579	19,187
Cash flows from investing activities:		
Capital expenditures	(1)	(171)
Purchase of marketable securities	(1,327)	(667)
Investment in affiliate	—	(5)
Decrease in restricted cash	387	453
Proceeds from sale of marketable securities	172	272
Cash used for investing activities	(769)	(118)
Cash flows from financing activities:		
Net repayments under revolving credit facilities	(11,625)	(11,097)
Cash dividends on preferred stock	—	(8)
Preferred stock redemption	—	(138)
Cash used for financing activities	(11,625)	(11,243)
Net increase in cash and cash equivalents	2,185	7,826
Cash and cash equivalents at beginning of period	2,971	4,498
Cash and cash equivalents at end of period	$ 5,156	$ 12,324
Supplemental disclosures:		
Cash paid for interest	$ 132	$ 118
Cash paid for income taxes, net	$ 1,410	$ 42

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. General

Basis of presentation and description of business

The accompanying unaudited interim condensed consolidated financial statements as of March 31, 2013 and for the three months then ended and the condensed consolidated balance sheet as of December 31, 2012, which was derived from audited financial statements, include the accounts of The Alpine Group, Inc. and the consolidation of all of its majority-controlled subsidiaries (collectively "Alpine" or the "Company", unless the context otherwise requires). The Company also owns 48.3% of Synergy Cables Ltd. ("SCL"), which is accounted for using the equity method. The Company formerly held as much as a 52% interest in SCL, which it first acquired during 2006 and as a result of the Company gaining control of SCL, business combination accounting should have been applied with respect to this investment at that time. SCL has not been consolidated, and for the reason discussed in the following sentence, such accounting has not been applied. Since it was the Company's intention to reduce its ownership of SCL to below 50% and has since done so, the equity method has been utilized in the financial statements presented herein. However, the reduction in Alpine's ownership notwithstanding, according to accounting principles generally accepted in the United States of America ("GAAP"), Alpine's financial statements would still be required to include the consolidation of SCL. After giving effect to options and warrants exercisable by third parties, the Company's fully diluted ownership in SCL as of March 31, 2013 would be approximately 39%. During the fourth quarter of 2009 Alpine's investment in SCL was written down to zero due to accumulated net losses at SCL exceeding the Company's equity investment. As discussed later in Note 1, in 2010 the Company made a cash loan to SCL in the amount of $2.0 million, of which $0.4 million was later sold to other parties. Consistent with its application of the equity method of accounting, the Company wrote off the net advance of $1.5 million in the fourth quarter of 2010. In order to facilitate a more timely release of Alpine quarterly financial information, the Company records its share of SCL's earnings and OCI on a one quarter lag. Alpine is not liable for any indebtedness or other liabilities of SCL. For the year ended December 31, 2011, SCL's independent accountant's opinion removed the going concern qualification, which in accordance with International Financial Accounting Standards ("IFRS"), resulted in SCL reinstating NIS 6.1 million ($1.6 million) of previously impaired assets. Such reinstatement is not permitted under GAAP. Other than the aforementioned impairment reinstatement there were no differences between IFRS as used by SCL and GAAP as used by Alpine that would have a material effect on the results of operations of SCL.

These financial statements should be read in conjunction with the audited consolidated financial statements contained in the Company's December 31, 2012 Annual Financial Statements available on-line at "www.alpine-group.net/investorrelations.htm". In the opinion of management, all adjustments (consisting of only normal and recurring adjustments) necessary for a fair presentation have been included. The results for the quarter ended March 31, 2013 do not necessarily indicate the results that may be expected for the full year.

Alpine was incorporated in New Jersey in 1957 and reincorporated in Delaware in 1987. Alpine is a holding company which over the recent past has owned and operated industrial and other manufacturing companies. At March 31, 2013, Alpine's operations consisted of its 48.3% ownership in SCL, an Israeli based producer of wire and cable products; Exeon Inc. ("Exeon"), a wholly owned subsidiary, primarily engaged in the business of copper scrap reclamation and copper and other metal products wholesaling and selective retailing; and Posterloid Corporation ("Posterloid"), a wholly owned subsidiary engaged in the design and manufacture of menu boards and signage for the food service industry and financial institutions. See (Subsequent event later in this Note 1).

Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable, accounts payable, and short-term accrued expenses are reflected in the consolidated financial statements at historical value, which approximates fair value, because of the short-term duration of these instruments. The carrying value of long-term liabilities approximates fair value due to interest rates which are currently available to the Company for debt with similar terms and maturities.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal (or the most advantageous) market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company utilizes the following three levels of inputs that may be used to measure fair value:

1. General (Continued)

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of items which are measured on a recurring basis:

Investments: The Company's marketable securities, consisting primarily of stocks and mutual funds, were classified as available for sale at March 31, 2013 and December 31, 2012 and carried at fair value. The fair value of such securities were $3.5 and $2.1 million as of March 31, 2013 and December 31, 2012, respectively, and were determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Derivatives: The derivative instruments consist primarily of copper forward contracts representing copper pounds used to hedge related inventory and sales transactions (see Note 6). The fair value of the related derivative financial instruments was determined based upon prices obtained from various market exchanges (Level 2 inputs) as of the balance sheet dates herein.

Restricted cash

The Company is required to make certain margin deposits with its commodity brokers related to its derivative contracts used to hedge certain transactions (see Note 6). The deposits include both initial margin requirements and variation margin, to the extent that such variation results in a net loss position. The Company had total net deposits of $0.1 and $0.4 million as of March 31, 2013 and December 31, 2012, respectively. The Company is required to maintain $0.1 million of cash related to a lease of its New Jersey office, which is classified as other noncurrent assets, in the financial statements contained herein.

Revenue recognition and accounts receivable

Revenue on sales is recognized when the product is shipped to the customer, which is when title and risk of loss pass. Credit sales on open accounts are made to customers in the normal course of business. Management periodically reviews its accounts receivable and writes off any amounts deemed to be uncollectible. The Company provides an allowance for doubtful accounts when needed. At both March 31, 2013 and December 31, 2012 no allowance was required. The Company's price to the buyer is fixed and determinable based upon the price set forth in a written order from the customer.

Investment in affiliate - Wolverine

Wolverine Tube, Inc. ("Wolverine") is a global manufacturer of copper and copper alloy tube, fabricated products and metal joining products used in commercial and residential heating, ventilation and air conditioning, refrigeration, home appliances, industrial equipment, power generation, and petrochemicals and chemical processing. Alpine owns the equity investments in and is a party to the Restated Management Agreement with Wolverine discussed below. The chairman and chief executive officer of Alpine is the chairman of the board of Wolverine.

On July 19, 2011 (the "grant date"), and pursuant to its 2011 Management Incentive Plan (the "MIP") Wolverine granted Alpine a non-qualified option to purchase at an exercise price of $55.01 per share 40,719 shares of Wolverine common stock, par value $0.01 per share (3.2% of the issued and outstanding common stock of Wolverine on a fully diluted basis). The options vest in equal annual installments of 33 1/3%, with 33 1/3% vesting on the grant date and the remainder on the next two anniversary dates and are subject to acceleration upon the occurrence of certain events and exercisable until July 19, 2021. Additionally, on the above

1 General (Continued)

grant date, pursuant to the MIP, Wolverine granted Alpine 40,719 restricted stock units (3.2% of the issued and outstanding common stock of Wolverine on a fully diluted basis) vesting in equal annual installments of 33 1/3% %, with 33 1/3% vesting on the grant date and the remainder on the next two anniversary dates and subject to acceleration upon occurrence of certain events. Unless payment is deferred by Alpine pursuant to the MIP and the granting agreement, Alpine is entitled to receive upon vesting of any restricted stock units one share of Wolverine common stock for each such vested restricted stock unit. As a result of the vesting of the non-qualified stock options and restricted stock grants during the first quarters of 2013 and 2012, Alpine recorded income of $0.2 million less a related estimated impairment of $0.1 million the net of which was $0.1 million that was recorded as Income from stock plans of affiliate in the Statement of Comprehensive Income in the first quarters of 2013 and 2012.

Alpine also has purchased and currently owns an additional 53,209 (46,119 during 2011 and 7,090 during 2012) shares of Wolverine common stock (approximately 4.5% of the issued and outstanding common stock of Wolverine) from unrelated third parties for cash purchase prices totaling $1.0 million since September 1, 2011.

Related party transactions – Wolverine

On February 16, 2007, Alpine and Wolverine entered into an agreement pursuant to which Alpine provided certain management and other services to Wolverine in consideration of an annual fee of $1.3 million payable in equal monthly installments and reimbursement of its reasonable and customary expenses. On June 28, 2011, Alpine and Wolverine entered into an Amended and Restated Management Agreement (the "Restated Management Agreement"). Under the terms of the Restated Management Agreement, Alpine continues to provide to Wolverine the management and other services it previously provided in consideration of the same annual fee and expense reimbursement. Additionally, pursuant to the Restated Management Agreement, in the event of the sale or other disposition of all or substantially all of the capital stock or assets of Wolverine prior to June 28, 2014 (a "liquidity event"), Alpine would be entitled to receive (other than in circumstances where it has been terminated for cause) a liquidity event payment equal to (i) 20% of the aggregate cash consideration attributable to such liquidity event in excess of $70 million but less than $120 million, plus (ii) 25% of such cash consideration in excess of $120 million. The term of the Restated Management Agreement is for an initial period of three (3) years, thereafter it continues on a month-to-month basis until either party provides at least 30 days written notice of termination, and is subject to earlier termination for cause by either party or for any reason upon 90 days' notice by Wolverine. Alpine's right to receive payment under the Restated Management Agreement is subordinate to the right of the lenders under Wolverine's secured credit facility and the holders of its senior secured notes due 2014, in certain instances. The Company recorded $0.3 million for the quarters ended March 31, 2013 and 2012 as a credit against selling, general and administrative expenses related to management fees under such agreement. During the first quarter of 2013, Alpine agreed to reduce the fee payable to it by Wolverine under the Restated Management Agreement in respect of the three month period commencing April 1, 2013 and ending on June 30, 2013 to $50,000 per month.

Related party transactions – SCL

In accordance with a management agreement between Alpine and SCL, Alpine charges SCL a monthly management fee. The amount recorded for the three month periods ended March 31, 2013 and 2012 was $37,500. In connection with SCL's refinancing of its indebtedness in 2010 (see discussion below - Note 1 – SCL convertible loan) SCL's lenders required, and Alpine agreed, that cash payment of management fees to Alpine would be suspended and accrued through August 2013 and thereafter, payment of such management fees are subject to SCL's achievement of certain financial results, which Alpine considers achievable and therefore continues to accrue such fees. The accrued unpaid management fees were $372,500 and $335,000 at March 31, 2013 and December 31, 2012, respectively.

SCL convertible loan

As part of a refinancing by SCL of certain indebtedness, on August 30, 2010, Alpine loaned SCL NIS 8.819 million (US $2.3 million) (the "Convertible Loan"), comprised of (i) NIS 7.5 million (US $2.0 million) in cash, and (ii) the consolidation of NIS 1.319 million (US $0.3 million) in accrued and unpaid management fees due Alpine from SCL. The Convertible Loan is evidenced

1. General (Continued)

by SCL's note in like principal amount to the order of Alpine (the "Convertible Loan Note"). The outstanding principal amount of the Convertible Loan accrues interest at the rate of 10% per annum from August 30, 2010 until the earlier of conversion into ordinary shares of SCL or repayment. Interest is payable in cash quarterly in arrears, unless such payment is restricted under the terms of the "Senior Indebtedness" of SCL referred to below, in which case such interest is paid by issuance of payment in kind notes to Alpine in the principal amount of the interest due and otherwise substantially identical to the Convertible Loan Note. The outstanding principal amount and unpaid interest under the Convertible Loan are linked to the Israel Consumer Price Index to adjust for inflation. The Convertible Loan (other than any portion thereof attributable to such linkage adjustment) is convertible into ordinary shares of SCL at the conversion rate of NIS 0.145 per share. On March 28, 2013, the market value of SCL ordinary shares on the Tel Aviv Stock Exchange was NIS 0.253 per share. Unless previously accelerated as a result of default, the maturity date of the Convertible Loan is December 1, 2017. The Convertible Loan is subordinate to SCL's senior indebtedness as of August 30, 2010, including NIS 78 million (US $21.3 million) due to SCL's principal bank lenders and NIS 143 million (US $39.0 million) due to the holders of its Series A and Series B Notes (collectively, the "Senior Indebtedness"). On November 17, 2010, Alpine sold an aggregate of NIS 1.62 million (US $0.4 million) of the Convertible Loan to three unrelated investors, which resulted in Alpine owning NIS 7.199 million (US $2.1 million) of the Convertible Loan as of September 30, 2011. Consistent with its application of the equity method of accounting, the Company wrote off the net advance of $1.5 million in the fourth quarter of 2010.

Equity accounting for earnings (losses) of affiliates

Alpine uses the equity method to account for its investments in affiliates. Because the results of operations for these companies are not always available and/or released to the public when Alpine is ready to release its quarterly results, the Company has elected to report its share of affiliate income (loss) and OCI on a one quarter lag basis. The third and fourth quarter results of affiliates are recorded in the fourth quarter for Alpine so that the full year audited financial statements reflect Alpine's share of the full year audited results of its affiliates.

Settlement with Internal Revenue Service

In August 2012 the Company received confirmation that the Joint Committee of the U.S. Internal Revenue Service ("IRS") had approved the settlement terms regarding the Company's appeal of the findings of audits performed by the IRS for the tax periods 2005 through 2007. According to the terms of the settlement the Company included approximately $6.4 million in taxable income spread evenly over the 2009 to 2011 tax years which resulted in approximately $2.2 million of current federal tax liability of which $0.8 million was paid during the fourth quarter of 2012 and the remaining $1.4 million was paid during the first quarter of 2013. The $1.4 million was included in income taxes payable as of December 31, 2012 on the balance sheet contained herein. The total $2.2 million liability was included in current deferred tax liabilities as of December 31, 2011. The Company is not currently under examination by any federal or state authorities

Subsequent event

On April 8, 2013 stockholders of the Company holding over a majority of its issued and outstanding common stock and acting by unanimous consent approved a Plan of Complete Liquidation and Dissolution of the Company (the "Plan") previously unanimously adopted by its Board of Directors. On April 29, 2013 and as contemplated under the Plan, the Company filed a Certificate of Dissolution with the Secretary of State of the State of Delaware. A complete copy of the Plan is available on the Alpine website, www.alpine-group.net. For the three (3) year period following April 29, 2013, Alpine will continue as a corporation for the purpose of implementing the Plan. Pursuant to the Plan and in accordance with the Delaware General Corporation Law, Alpine will settle and windup its business affairs, dispose of its assets, discharge it liabilities and distribute to its stockholders all remaining cash and other assets.

Management has performed an analysis of the activities and transaction subsequent to March 31, 2013 to determine the need for any adjustments to and/or disclosures within the financial statements for the quarter ended March 31, 2013. Management has performed their analysis through May 15, 2013, the date the financial statements were available to be issued. Except for the disclosure in the preceding paragraph, no adjustments and/or disclosures within the financial statements are required.

2. Inventories

At March 31, 2013 and December 31, 2012, the components of inventories were as follows:

	March 31, 2013	December 31, 2012
	(in thousands)	
Raw materials	$ 3,623	$ 8,064
Work in process	1,629	1,630
Finished goods	710	19,861
Total gross inventories	5,962	29,555
LIFO reserve	(521)	(933)
Inventories, net	$ 5,441	$ 28,562

Inventories are stated at the lower of cost or market. The inventories shown above include $3.9 and $27.5 million of gross inventory as of March 31, 2013 and December 31, 2012, respectively, valued using the LIFO method. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on actual inventory levels and costs at such time. All other inventories are determined using the first-in, first-out method.

3. Revolving Credit Facility

Effective May 15, 2012, Exeon as borrower and PNC Bank, National Association ("PNC"), as lender agreed to extend the maturity date of an existing Revolving Credit Facility to March 31, 2013 and to amend certain terms thereof (the "Amended Facility"). The maximum borrowing limit set under the Amended Facility increased to $20 million, provided that during (i) the period commencing with the effective date of the Amended Facility through November 2012 and during the month of March, 2013 borrowing availability was capped at $5 million and limited to borrowing base advances against Exeon's eligible accounts receivable and (ii) the period commencing December 31, 2012 through February 28, 2013, a $5 million availability blockage was in place. The Amended Facility was collateralized by substantially all of Exeon's tangible and intangible assets. The Amended Facility, whose entire outstanding principal balance previously had been reduced to ($0) zero on February 7, 2013, matured on March 31, 2013 and was not renewed by the Company.

4. Earnings Per Share

The computation of basic and diluted income (loss) per share for the three month periods ended March 31, 2013 and 2012 is as follows:

	Three Months Ended March 31, 2013			2012		
	Net Income	Weighted Average Shares	Per Share Amount	Net Loss	Weighted Average Shares	Per Share Amount
Basic and diluted income (loss) per share						
Net income (loss)	$ 565	16,357	$ 0.04	$ (386)	17,447	$ (0.02)
Adjustments:						
Preferred stock dividends	—	16,357	—	(13)	17,447	—
Net income (loss) applicable to common stock	$ 565	16,357	$ 0.04	$ (399)	17,447	$ (0.02)

The Company has excluded the assumed exercise of certain stock options (1.4 million), from the Company's earnings per share calculation for the three month period ended March 31, 2012 as the impact for the period would be anti-dilutive due to the loss from continuing operations.

5. Stock-based compensation plans

Alpine formerly maintained an employee stock option incentive plan known as the 1997 Stock Option Plan (the "1997 Plan"), however, as of April 9, 2007, the tenth anniversary of the effective date of the 1997 Plan, no further grants or other awards were issuable under such plan. All rights under options granted prior to April 9, 2007 extend beyond such date subject to and in accordance with the terms of the 1997 Plan. The options granted under the 1997 Plan vest in equal annual installments over the three year period commencing on the first anniversary date of the grant or, if earlier, upon the occurrence of a change in control of the Company and options cannot be exercised after 10 years from the date of grant.

The Company adopted the Stock Compensation Plan for Non-Employee Directors (the "Director Plan") in January 1999. Under the Director Plan, each non-employee director of the Company automatically received 50% of the annual retainer in either restricted common stock or non-qualified stock options, as elected by the director. In addition, each non-employee director could also elect to receive all or a portion of the remaining amount of the annual retainer and any meeting fees in the form of restricted stock or stock options in lieu of cash payment. Commencing in 2009, 50% of the total annual non-employee director compensation automatically was paid in cash and the remaining 50% was paid in the form of restricted stock and/or stock options as selected by each non-employee director. During the quarter ended September 30, 2012, the Board determined to modify its compensation policy for non-employee directors. As part of this modification, the Board also discontinued payment of any director compensation in the form of equity incentives and cancelled all director equity incentives granted from and after January 1, 2009 in consideration for payment to each director of the cash compensation he otherwise would have received during such period. This payment, which totaled $271,250, was paid to the non-employee directors during the fourth quarter of 2012. The Company recorded a charge of $103,000 during the third quarter of 2012, which represented the unamortized balance of the value of the related options that were cancelled.

Alpine sponsors a 1984 Restricted Stock Plan under which a maximum of 600,000 shares of Common Stock have been reserved for issuance. At March 31, 2013, there were 45,064 shares available for issuance. During the quarter ended March 31, 2013, the Compensation Committee granted no new shares under this plan. Shares of restricted Common Stock granted under this Plan vest in equal installments over a three year period commencing with the first anniversary of grant.

Alpine sponsors The Alpine Group, Inc. Deferred Stock Account Plan, an unfunded deferred stock compensation plan whereby certain key management employee participants are permitted to (i) defer the receipt of all, or a portion, of their non-cash salary or bonus, as defined by the plan and (ii) elect on a one time basis to reinvest deemed cash dividends allocable to Common Stock credited to a participant's account under the plan into additional deferred Common Stock or into notional investment vehicles designated by the Compensation Committee. The plan also provides for Company matching contributions of Common Stock of either 25% or 50%, depending upon period of deferral, applied to shares of Common Stock deferred therein. The compensation cost associated with the Company matching contributions is amortized over the period of the deferral in respect of which it may be earned. Shares deferred into the Deferred Stock Account Plan are held in irrevocable grantor trusts. At March 31, 2013, 2,390,127 shares of Common Stock have been deferred and are included in the grantor trusts. These shares and the corresponding liability are classified as components of treasury stock and additional paid-in capital, respectively, in the consolidated balance sheets. Deferred compensation was fully amortized as of March 31, 2013 and December 31, 2012. During the first quarter of 2013 no new deferred shares were granted or vested and no previously vested shares were certificated or distributed. During the first quarter of 2013, no executive elected to further extend deferrals previously made.

5. Stock-based compensation plans (Continued)

The following table summarizes stock option activity for all Plans for the three months ended March 31, 2013:

	Shares Outstanding	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Terms (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2012	1,386,189	$ 1.92	3.15	$ —
Canceled	(21,530)	$ 0.65		
Granted	—			
Outstanding at March 31, 2013	1,364,659	$ 1.94	2.95	$ —
Options exercisable at March 31, 2013	1,364,659	$ 1.94	2.95	$ —

There were no options exercised during the three month periods ended March 31, 2013 and 2012, respectively.

The weighted average grant-date fair value of options granted for the three month period ended March 31, 2012 was $0.40.

Information with respect to stock-based compensation plan stock options outstanding and exercisable at March 31, 2013 is as follows:

	Options Outstanding			Options Exercisable	
Range Of Exercise Prices	Number Of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Of Options Exercisable	Weighted Average Exercise Price
$0.60 - $0.65	99,576	0.25	$ 0.63	99,576	$ 0.63
$0.76	167,184	0.22	$ 0.76	167,184	$ 0.76
$0.80 - $2.90	1,071,098	3.63	$ 2.22	1,071.098	$ 2.22
$3.10 - $3.27	26,801	2.66	$ 3.16	26,801	$ 3.16
	1,364,659	2.95	$ 1.94	1,364,659	$ 1.94

6. Derivative financial instruments and fair value information

The Company to a certain extent uses forward fixed price contracts and derivative financial instruments to manage commodity price risks. The Company is exposed to credit risk in the event of nonperformance by counterparties for metal forward price contracts, and metals futures contracts but the Company does not anticipate nonperformance by any of these counterparties. The Company is required by its brokers to make initial margin deposits based upon the net positions outstanding on a daily basis. In addition, the Company generally sends or receives cash to / from the brokers daily based upon the variation in copper prices and the Company's net position at the time to cover the variation margin on account. The net amount on deposit at the brokers was $0.1 and $0.4 million as of March 31, 2013 and December 31, 2012, respectively, and is included in Restricted cash. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

6. Derivative financial instruments and fair value information (Continued)

Commodity price risk management

For the Company's scrap reclamation business, most of the products are copper-based and the Company attempts to match its copper purchases and sales with the spot COMEX price used in pricing the purchase or sale with the vendor or customer, respectively. There were 1.0 and 5.1 million net copper pounds that were hedged under this arrangement as of March 31, 2013 and December 31, 2012, respectively, which served to hedge the outstanding inventory as of those dates.

The Company also treats as derivative instruments purchases from vendors or sales to customers for which there is a firm copper price established. There were 0.1 net long and 2.3 million net short copper pounds related to such commitments as of March 31, 2013 and December 31, 2012, respectively.

The fair value of the Company's derivative instruments as of March 31, 2013 and December 31, 2012 were as follows:

	March 31, 2013			
Derivatives not designated as hedging instruments	Net Position*	Asset Derivatives Fair Value	Net Position*	Liability Derivatives Fair Value
Commodity Contracts		(in thousands)		
Copper – Broker	950 S	$ 100	_	$ _
Copper – Vendor / customer	147 L	45	_	_
Total		$ 145		$ _

	December 31, 2012			
Derivatives not designated as hedging instruments	Net Position*	Asset Derivatives Fair Value	Net Position*	Liability Derivatives Fair Value
Commodity Contracts		(in thousands)		
Copper – Broker	—	$ —	5,050 S	$ (23)
Copper – Vendor / customer	—	—	2,329 S	(260)
Total		$ —		$ (283)

* in thousands of copper pounds. L = Long S = Short

The net short copper positions above of 0.8 and 7.4 million copper pounds as of March 31, 2013 and December 31, 2012, respectively, were to economically hedge a like amount of physical copper inventory

Since none of the Company's derivatives are designated as hedging instruments under ASC 815 "Derivative and Hedging", the changes in fair value of these hedges are recognized immediately in cost of goods sold. Such amounts were a $468,000 gain and $36,000 loss for the three months ended March 31, 2013 and 2012, respectively.

7. Non-GAAP adjustments to financial statements

The Company records its inventory on a LIFO basis and marks to market its non-designated hedging instruments and records quarterly adjustments thereon in accordance with GAAP. Since in managements' opinion, these adjustments are of a non-cash and non-operating nature, the effects of such adjustments and the removal thereof are shown in the table below:

	Three months ended March 31, 2013				Three months ended March 31, 2012			
	GAAP	Eliminate Non-cash adjustments		Non-GAAP	GAAP	Eliminate Non-cash adjustments		Non-GAAP
Net Sales	$ 40.4	$ —		$ 40.4	$ 41.1	$ —		$ 41.1
Cost of goods sold	38.4	1.0	(a)	39.4	40.4	(0.5)	(a)	39.9
Gross profit (loss)	$ 2.0	$ 1.0		$ 1.0	$ 0.7	$ 0.5		$ 1.2
Operating income (loss)	$ 0.8	(0.7)		$ 0.1	$ (0.6)	0.5		$ (0.1)
Net income (loss)	$ 0.6	(0.5)		$ 0.1	$ (0.4)	0.3		$ (0.1)

(a)-represents the following adjustments charge / (credit) as recorded:

	2013	2012
Adjustment from FIFO to LIFO	$ (0.5)	$ 0.4
Hedge mark-to-market adjustments	(0.5)	0.1
Total non-cash adjustments	$ (1.0)	$ 0.5