

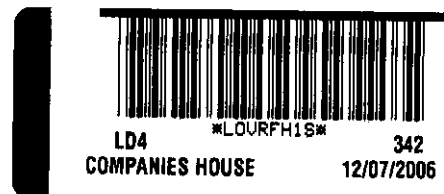
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Caparo Wire Limited

Report and Financial Statements

Year Ended

31 December 2005



BDO Stoy Hayward
Chartered Accountants

Caparo Wire Limited

Annual report and financial statements for the year ended 31 December 2005

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Directors

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Directors

C G Steele
E Wilkinson
L Robinson

Secretary and registered office

S Loose, Caparo House, 103 Baker Street, London, W1U 6LN.

Company number

955587

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Caparo Wire Limited

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and dividends

The company has not traded during the current or preceding financial year and accordingly no profit and loss account has been prepared.

The directors do not recommend payment of a dividend for the year (2004 - £Nil).

Directors and directors interests

The directors of the company during the year were:

C G Steele
E Wilkinson
L Robinson

None of the directors who held office at the end of the financial year had any disclosable interest in the share capital of either the company or the ultimate parent company. No director had any interest in the share capital of any subsidiary company of the ultimate parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Indemnity cover

Third party indemnity cover for the directors was in force during the financial year.

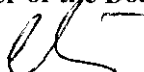
Caparo Wire Limited

Report of the directors for the year ended 31 December 2005 (*continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



C G Steele

Director

Date *27 June 2006.*

Caparo Wire Limited

Report of the independent auditors

To the shareholders of Caparo Wire Limited

We have audited the financial statements of Caparo Wire Limited for the year ended 31 December 2005 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Caparo Wire Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

Date *27 June 2006*

Caparo Wire Limited

Balance sheet at 31 December 2005

	Note	2005 £'000	2004 £'000
Current assets - debtors			
Amount owed by fellow subsidiary undertakings		228	228
Capital and reserves			
Share capital	4	226	226
Profit and loss account		2	2
Shareholders' funds			
		228	228

The financial statements were approved and authorised for issue by the Board of Directors on 27/6/06 and signed on its behalf by:



C G Steele
Director

The notes on pages 6 and 7 form part of these financial statements.

Caparo Wire Limited

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Cash flow statement

Under Financial Reporting Standard 1, "Cash Flow Statements", the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent company is a wholly owned subsidiary undertaking.

2 Employees

The company had no employees during the current or previous year.

3 Directors' remuneration

No director received any remuneration during the current or previous year.

4 Called up share capital

	Authorised, allotted, called up and fully paid			
	2005 Number	2004 Number	2005 £'000	2004 £'000
Ordinary shares of 25p each	84,000	84,000	21	21
Deferred shares of 25p each	820,000	820,000	205	205
	<hr/>	<hr/>	<hr/>	<hr/>
	904,000	904,000	226	226
	<hr/>	<hr/>	<hr/>	<hr/>

The deferred shares have no rights to participate in any dividend declared by the company and to receive only the amounts paid up on such shares after the holders of the ordinary shares in the capital of the company have received the amounts paid up on their shares.

Caparo Wire Limited

Notes forming part of the financial statements for the year ended 31 December 2005

5 Contingent liabilities

The company is liable, together with other group companies, under cross guarantee arrangements for overdrafts relating to group companies. At 31 December 2005, this liability amounted to £6,571,000 (2004 - £6,036,000).

6 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8, "Related Party Transactions", not to disclose transactions with entities that are included in the consolidated financial statements of Caparo Group Limited.

7 Ultimate parent company

The company is a subsidiary of Caparo Industries Plc. The ultimate parent company is Caparo Group Limited.

The largest group in which the results of the company are consolidated is that headed by Caparo Group Limited. The smallest group in which they are consolidated is that headed by Caparo Industries Plc. Copies of the consolidated accounts of Caparo Group Limited and Caparo Industries Plc are available from Companies House.

The Right Honourable The Lord Paul of Marylebone, The Honourable Ambar Paul, The Honourable Akash Paul and The Honourable Angad Paul, directors of Caparo Group Limited, are jointly and indirectly interested in the whole of the issued share capital of Caparo Group Limited through shareholdings registered in the name of Caparo International Corporation, a company registered in the British Virgin Islands.