

EUROSTEEL LIMITED

(Registered Number 2186561)

DIRECTORS' REPORT

1. The company has not traded during the year ended 31 December 2002. The members have resolved not to appoint auditors in accordance with the provisions of section 250 of the Companies Act 1985.
2. The members of the Board during the year ended 31 December 2002 were:

Andrew S. Goldsmith
Roderick J. A. Smith
John P. Stanners (appointed 3.12.02)
Helga Ferretti (appointed 4.12.02)

The directors did not have any interest in the shares of the company. The interests of directors in the shares of the ultimate parent company are as follows:-

	Ordinary Shares		Options	
	2002	2001	2002	2001
Andrew Goldsmith	1,000	1,000	-	-
Roderick Smith	2,300	2,300	6,900	6,900
John Stanners	15,000	7,000	-	8,000
Helga Ferretti	200	200	552	552

The directors are eligible to participate in a sharesave scheme and an executive share scheme of the ultimate parent company, Stencor Holdings Limited. The exercise price of the share options is £2.50.

By order of the Board



Roderick Smith
Company Secretary

21 March 2003

Level 27, CityPoint
1 Ropemaker Street
London EC2Y 9ST



BALANCE SHEET AS AT 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
Current assets		
Other debtors	<u>£2</u>	<u>£2</u>
Capital and reserves		
Allotted and fully paid share capital	<u>£2</u>	<u>£2</u>

The authorised share capital is £100.

The ultimate holding company of Eurosteel Limited is Stemcor Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group which consolidates the company's accounts is Stemcor Holdings Limited. Copies of the ultimate holding company's accounts can be obtained from: Companies House, Crown Way, Cardiff CF4 3UZ.

The company has been dormant throughout the year ended 31 December 2002.


..... Director
Roderick Smith

21 March 2003