

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR ENDED
1 JANUARY 2005



Registered No. 3493814

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED

Directors

Mr G E Bevan
Mr G H Craine
Mr D K Grierson
Mr R J Reeves
Mrs A L Scandrett

Secretary

Mrs A L Scandrett

Registered office

30 Millbank
London
SW1P 4WY

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED

Directors' report for the financial year ended 1 January 2005

The directors present herewith their report and balance sheet for the financial year ended 1 January 2005.

Review of business and main activities

The company has not traded during the year and has therefore made neither profit nor loss. All expenses of the company are borne by Corus UK Limited.

Directors & directors' interests

The directors of the company during the period are listed on page 1.

The beneficial interest of the directors in the ordinary shares of Corus Group plc at the end of the year were as follows:

| | 3 Jan 2004 | 1 Jan 2005 |
|-------------------|------------|------------|
| Mr G E Bevan | 6,678 | 6,958 |
| Mr G H Craine | 15,417 | 18,922 |
| Mr D K Grierson | 1,946 | 1,946 |
| Mr R J Reeves | 61,535 | 65,040 |
| Mrs A L Scandrett | 267 | 267 |

Options over Corus Group plc shares

| | Number Outstanding at 3 Jan 2004 | Granted during the year Number | Lapsed | Revised Number Outstanding at 1 Jan 2005 |
|-------------------|--|--------------------------------------|--------|--|
| Mr G E Bevan | - | - | - | - |
| Mr G H Craine | 255,705* | - | - | 255,705 |
| Mr D K Grierson | 311,076* | - | - | 311,076 |
| Mr R J Reeves | 500,907* | - | 39,107 | 461,800 |
| Mrs A L Scandrett | - | - | - | - |

Executive Schemes

*Following an independent accountants' valuation in respect of the placing and open offer carried out by Corus Group plc in December 2003, the aggregate number of options outstanding as at 3 January 2004 have been restated to reflect minor rounding adjustments. As a result Messrs Craine and Grierson's option holding have been increased by 1 share respectively and Mr Reeves' by 5 shares.

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED

Directors' report for the financial year ended 1 January 2005 (cont'd)

Options over Corus Group plc shares

| | Number Outstanding at 3 Jan 2004 | Granted Number | Lapsed/ Cancelled | Number Outstanding at 1 Jan 2005 |
|--------------------------|--|-------------------|----------------------|--|
| <u>Sharesave Schemes</u> | | | | |
| Mr G E Bevan | 10,085 | 22,294 | 10,085 | 22,294 |
| Mr G H Craine | 13,420 | - | 13,420 | - |
| Mr D K Grierson | 10,783 | 22,294 | 10,783 | 22,294 |
| Mr R J Reeves | 13,420 | 22,294 | 13,420 | 22,294 |
| Mrs A L Scandrett | 5,508 | 9,809 | 5,508 | 9,809 |

The directors had no interest, as defined by the Companies Act 1985, in the shares of any other member of the group during the year covered by these financial statements.

For the year ended 1 January 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

By order of the board



A L Scandrett
Secretary
22 April 2005

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED

Balance sheet as at 1 January 2005

| | Notes | 1 Jan 2005 £ | 3 Jan 2004 £ |
|---|-------|-----------------|-----------------|
| Current Assets | | | |
| Debtors: Amounts falling due after more than one year Amount owed by group company | 1 | 2 | 2 |
| | | ===== | ===== |
| Capital and reserves | | | |
| Called up share capital | 2 | 2 | 2 |
| | | ===== | ===== |

- (a) For the year ended 1 January 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- (i) ensuring the company keeps accounting records which comply with section 221; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board on 22 April 2005.



Mr R J Reeves
Director

The Notes on page 5 form part of these accounts.

BRITISH STEEL DIRECTORS (NOMINEES) LIMITED

Notes to the accounts for the financial year ended 1 January 2005

Amount owed by group company

1. The amount due from the group company is free of interest and no date has been fixed for the discharge of the debt.

Share Capital

| 2. | 3 Jan 2004 and 1 Jan 2005 | |
|-----------------------|----------------------------------|---|
| | Authorised | Allotted called up and fully paid |
| | £ | £ |
| Ordinary shares of £1 | 1,000 | 2 |
| | <hr/> | <hr/> |
| | 1,000 | 2 |
| | <hr/> <hr/> | <hr/> <hr/> |

Directors remuneration

3. No director received any remuneration during the period in respect of his services to the company.

Ultimate holding company

4. The ultimate holding company is Corus Group plc which is registered in England and Wales. Copies of their consolidated report and accounts may be obtained from The Secretary, Corus Group plc, 30 Millbank, London SW1P 4WY.