

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP
TRUSTEES LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

**FOR THE FINANCIAL YEAR ENDED
30 DECEMBER 2006**



Registered No. 272870

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES
LIMITED**

DIRECTORS

Mr A D G Williams
Mr Paul Roger Strickland
Mrs A L Scandrett

SECRETARY

Mrs T V Robinson

REGISTERED OFFICE

30 Millbank
London
SW1P 4WY

BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES LIMITED

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2006

The directors present herewith their report and balance sheet for the financial year to 30 December 2006

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

	31 Dec 2005 Ordinary shares of of 10p	30 Dec 2006 Ordinary shares of of 50p ¹
Mr A D G Williams	5,026	1,005
Mr P R Strickland	64,347	3,935
Mrs A L Scandrett	267	53

¹ These share interests were in 10p ordinary shares prior to the share consolidation effective 15 May 2006. For every 5 existing shares held on 12 May 2006 Shareholders received 1 new ordinary share of 50p

Options over Corus Group plc shares

	Number Outstanding At 31 Dec 2005	Resated Number ²	Exercise/ Lapsed	Number Outstanding at 30 Dec 2006
<u>Executive Schemes</u>				
Mr A D G Williams	-	-	-	-
Mr P R Strickland	317,651	63,529	4,477	59,052
Mrs A L Scandrett	-	-	-	-

Sharesave Schemes

Mr A D G Williams	-	-	-	-
Mr P R Strickland	30,244	6,048	4,675	1,373
Mrs A L Scandrett	15,562	- 3,111	-	3,111

² 2005 option details are after restatement for adjustments arising from the share consolidation

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES
LIMITED**

**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED
30 DECEMBER 2006 CONTINUED**

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

For the year ended 30 December 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'T V Robinson', with a long horizontal flourish extending to the right.

Mrs T V Robinson
Secretary

2 July 2007

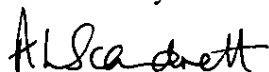
BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES LIMITED

BALANCE SHEET AS AT 30 DECEMBER 2006

	<u>Notes</u>	30 Dec 2006 £	31 Dec 2005 £
Net Assets	-	-	-
Capital and reserves			
Called up share capital	1	17	17
Profit and loss account		(17)	(17)
		-	-

- (a) For the financial year ended 30 December 2006 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 of Directors on 2 July 2007 and were signed on its behalf by



A L Scandrett
Director

The Notes on page 5 form part of these accounts

BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES LIMITED

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 DECEMBER 2006

Share Capital

1

31 Dec 2005 and 30 Dec 2006

	Authorised	Allotted called up and fully paid
	£	£
Ordinary shares of £1	17	17
	<hr/> 17 <hr/>	<hr/> 17 <hr/>

Directors remuneration

- 2 No director received any remuneration during the period in respect of his services to the company

Ultimate holding company

- 3 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