

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP
TRUSTEES LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

**FOR THE FINANCIAL YEAR ENDED
1 JANUARY 2005**



Registered No. 272870

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES
LIMITED**

DIRECTORS

Mr R J Reeves
Mr A D G Williams
Mrs A L Scandrett

SECRETARY

A L Scandrett

REGISTERED OFFICE

30 Millbank
London
SW1P 4WY

BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES LIMITED

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 1 JANUARY 2005

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

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 R.J. Reeves	61,535	65,040
Mr A D G Williams	5,026	5,026
Mrs A L Scandrett	267	267

Options over Corus Group plc shares

	Number Outstanding at 3 Jan 2004	Granted Number	Exercise/ Lapsed	Number Outstanding at 1 Jan 2005
<u>Executive Schemes</u>				
Mr R.J. Reeves	500,907*	-	39,107	461,800
Mr A D G Williams	-	-	-	-
Mrs A L Scandrett	-	-	-	-

Sharesave Schemes

Mr R.J. Reeves	13,420	22,294	13,420	22,294
Mr A D G Williams	-	-	-	-
Mrs A L Scandrett	5,508	9,809	5,508	9,809

*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 Mr Reeves' option holding has been increased by 5 shares.

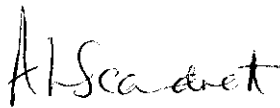
**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES
LIMITED**

**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED
1 JANUARY 2005 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 1 January 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read 'A L Scandrett', written in dark ink.

Mrs A L Scandrett
Secretary

22 April 2005

BRITISH STEEL EMPLOYEE SHARE OWNERSHIP TRUSTEES LIMITED

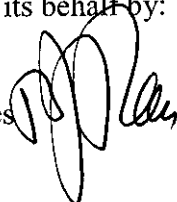
BALANCE SHEET AS AT 1 JANUARY 2005

	<u>Notes</u>	1 Jan 2005 £	3 Jan 2004 £
Net Assets	-	-	-
Capital and reserves			
Called up share capital	1	17	17
Profit and loss account		(17)	(17)
		-	-

- (a) For the financial 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 of Directors on 22 April 2005 and were signed on its behalf by:

R J Reeves
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 1 JANUARY 2005

Share Capital

1.

3 Jan 2004 and 1 Jan 2005

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