



**CORUS INTERNATIONAL
TRADING LIMITED**

**Annual reports and accounts
for the period ended 1 January 2005**

Registered number 2755939



Corus International Trading Limited

Annual report for the 12 months ended 1 January 2005

	Page
Directors and advisers	1
<i>Directors' report</i>	2 - 4
Report of the auditors	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 15

Corus International Trading Limited

Directors and advisers

Directors

Mr C D Gardner
Mr K Wilkinson (Chairman)
Mr S W Lindsay

Secretary

Mrs A L Scandrett

Registered Office

30 Millbank
London
SW1P 4WY

Registered Number

2755939

Auditors

PricewaterhouseCoopers LLP
Birmingham
B3 2DT

Corus International Trading Limited

Directors' report for the 12 months ended 01 January 2005

The directors present herewith their report and audited financial statements for the period ended 01 January 2005.

Principal activities

The principal activity of the business is the performance of world-wide trade in steel and related materials.

Review of business and future activities

The profit and loss account for the period is set out on page 6.

The directors do not recommend the payment of a dividend (12 months to 3 January 2004 - £Nil). The profit of £5,942,857 (2003 profit: £573,177) will be transferred to reserves.

The 12 month period to 1 January 2005 saw steel prices reach record heights. Corus International Trading Limited was well placed to take advantage of this strong market and has recorded an excellent performance in 2004.

It is anticipated that Corus International Trading Limited will continue to trade in steel and related materials in the global market for the foreseeable future.

Directors

The directors of the company at 01 January 2005 are listed on page 1.

Corus International Trading Limited

Directors' report for the 12 months ended 01 January 2005 (continued)

Directors' interests in shares

The interests of the directors at 01 January 2005 in the ordinary shares of Corus Group plc, the company's ultimate holding company at that date, were as follows:

Ordinary shares	3 Jan 2004 Number	Acquired	Disposed	1 Jan 2005 Number
Mr C Gardner	11,313	3,505	-	14,818
Mr K Wilkinson	4,686	1,402	-	6,088
Mr S W Lindsay	267	35,000	-	35,267

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

Directors' interests in share options

The Corus Executive Share Option Scheme is for senior executives of Corus Group plc and the share options are exercisable between the third and tenth anniversary of the grant. Prices at which options are granted are the average of the market value of an ordinary share on the London Stock Exchange on the three business days immediately preceding the date of grant.

The interests of the directors in share options and movements during the year are shown below. Options outstanding at 8 December 2003 were adjusted, in line with other employee options, as a result of the placing and open offer.

The interests of the directors in these share options schemes were as follows:-

Executive Scheme	No. of options at start of year	During the year			No. of options at end of year
		Granted	Exercised	Lapsed	
Mr C Gardner	237,833	-	-	-	237,833
Mr K Wilkinson	425,206	-	-	30,680	394,526
Mr S W Lindsay	142,175	-	-	-	142,175

Sharesave Scheme	No. of options at start of year	During the year				No. of options at end of year
		Granted	Cancelled	Exercised	Lapsed	
Mr C Gardner	23,378	6,866	-	-	23,378	6,866
Mr K Wilkinson	10,783	8,917	-	-	10,783	8,917
Mr S W Lindsay	13,420	22,294	-	-	13,420	22,294

Corus International Trading Limited

Directors' report for the year ended 01 January 2005 (continued)

Payment to Creditors

It is the policy of the company to establish terms of payment with suppliers when agreeing the terms of business transactions. The aim is to deliver funds to suppliers when due, either by cheque or other means of payment.

Trade creditors days as at the period end are 45 days (2003 : 28 days). The reason for the increase in the creditor days figure was the enhanced availability and utilisation of bank financing in support of the purchase of traded material.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

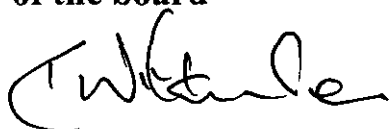
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the 12 months ended 01 January 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

By order of the board



K Wilkinson
Director
29th July 2005

Corus International Trading Limited

Independent auditors' report to the members of Corus International Trading Limited

We have audited the financial statements which comprise the profit and loss accounts, the balance sheet and the related.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

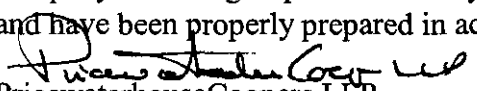
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group at 01 January 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

29 July 2005

Corus International Trading Limited

Profit and loss account for the 12 months ended 1 January 2005

	Notes	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
Turnover	2	263,804,698	137,863,280
Operating costs	3	<u>(254,605,103)</u>	<u>(136,993,329)</u>
Profit on ordinary activities before interest		9,199,595	869,951
Interest receivable	4	7,902	44,438
Interest payable	5	<u>(715,561)</u>	<u>(299,273)</u>
Profit on ordinary activities before taxation		8,491,936	615,116
Taxation	6	<u>(2,549,079)</u>	<u>(41,939)</u>
Profit for the period	15	<u>5,942,857</u>	<u>573,177</u>

The above results relate wholly to continuing operations.

The company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation or the loss for the period stated above, and their historical cost equivalents.

Reconciliation of movement in equity shareholders' funds for the 12 months ended 01 January 2005

	Group 1 Jan 2005 £	Group 3 Jan 2004 £
Opening equity shareholders' funds	4,765,777	4,192,600
Profit for the period	<u>5,942,857</u>	<u>573,177</u>
Closing equity shareholders' funds	<u>10,708,634</u>	<u>4,765,777</u>

Corus International Trading Limited

Balance sheet As at 1 January 2005

	Notes	Group 1 Jan 2005 £	Company 1 Jan 2005 £	Group 3 Jan 2004 £	Company 3 Jan 2004 £
Fixed Assets					
Investments	18	-	2	-	2
Current Assets					
Stocks	10	29,057,544	9,123,805	8,077,384	4,756,946
Debtors: amounts falling due within one year	11	42,154,802	22,785,861	16,631,086	10,095,722
Cash at bank and in hand		564	564	3,985,158	1,568,946
		<u>71,212,910</u>	<u>31,910,230</u>	<u>28,693,628</u>	<u>16,421,614</u>
Creditors:					
amounts falling due within one year	12	(60,237,276)	(25,164,884)	(23,927,851)	(11,818,627)
Total assets less current liabilities		<u>10,975,634</u>	<u>6,745,348</u>	<u>4,765,777</u>	<u>4,602,989</u>
Provisions for liabilities and charges	13	(267,000)	-	-	-
Net assets		<u>10,708,634</u>	<u>6,745,348</u>	<u>4,765,777</u>	<u>4,602,989</u>
Capital & Reserves					
Called up share capital	14	1,657,666	1,657,666	1,657,666	1,657,666
Profit & loss account	15	9,050,968	5,087,682	3,108,111	2,945,323
Equity shareholders' funds		<u>10,708,634</u>	<u>6,745,348</u>	<u>4,765,777</u>	<u>4,602,989</u>

The financial statements were approved by the Board on 30th July 2005 and signed on its behalf.



K Wilkinson

Director

29th July 2005

The notes on pages 8 to 15 form part of these financial statements.

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the company and its subsidiary. This has been accounted for under the gross equity method of consolidation. The profits or losses of subsidiaries are included from the date of acquisition or up to the date of their disposal.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Turnover

Turnover, which excludes value added tax, represents the sales value of all goods despatched during the period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts. The deferred tax assets and liabilities recognized have been discounted.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the year end, or where appropriate at forward contract rates. Exchange rate differences are taken to the profit and loss account.

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

The expected cost of providing pension benefits is charged to the profit and loss account so as to spread the cost over the expected average remaining service lives of employees. Further details are given in note 15.

Cashflow

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirements to prepare such a statement under Financial Reporting Standard Number 1 (Revised) "Cash Flow Statements".

Software costs

Software costs are expensed as incurred.

Fixed asset investments

Investments are stated at cost less provision for diminution in value where appropriate.

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

2 Turnover

Geographical market analysis of turnover by destination is set out below:

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
United Kingdom	29,418,752	16,589,765
European Union (excluding UK)	49,434,602	17,038,149
Europe (excluding EU)	23,843,509	30,017,072
North America	120,203,197	33,206,164
Central/South America	3,426,299	1,837,761
Africa	8,770,662	10,263,036
Asia	28,707,677	28,911,333
	<u>263,804,698</u>	<u>137,863,280</u>

Included in the above:

Sales to group companies	59,269,699	19,346,409
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3 Operating costs

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
Changes in stocks of finished goods	(20,980,160)	(1,417,909)
Raw materials and consumables	255,902,805	127,014,916
Other external charges	1,676,422	3,339,237
Employment costs	1,330,556	1,443,663
Other operating charges	16,675,480	6,613,422
	<u>254,605,103</u>	<u>136,993,329</u>

The above costs are stated after charging:

Operating leases - land and buildings	83,859	76,421
Auditors remuneration	12,319	12,985

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

4 Interest receivable

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
Other interest receivable	7,902	44,438

5 Interest payable

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
Interest payable to group companies	715,561	299,273

6 Taxation

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
United Kingdom Corporation Tax at 30%	2,488,793	60,902
Prior Year	1	(108,003)
Current Tax	2,488,794	(47,101)
Origination and reversal of timing differences	62,163	101,323
Increase/(Decrease) in discount	(1,878)	(12,283)
Deferred Tax	60,285	89,040
	2,549,079	41,939

The current tax charge reconciles with the standard rate of Corporation tax as follows:

Tax on result at standard rate of 30%	2,547,581	184,534
Accelerated timing differences	(251)	(335)
Other	(61,612)	-
Prior year tax charge	1	(108,003)
Permanent differences	3,075	(123,297)
	2,488,794	(47,101)

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

7 Result of the company

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit for the financial year is £2,142,359.

8 Employees

	Group 12 months to 1 Jan 2005 £	Group 12 months to 3 Jan 2004 £
Total costs of all employees in the company were:		
Wages and salaries	1,230,708	1,346,517
Social security costs	99,548	90,852
Other pension costs	300	6,294
	<u>1,330,556</u>	<u>1,443,663</u>

The average weekly number of employees of the company during the period were:

	Group 1 Jan 2005 Number	Group 3 Jan 2004 Number
Management	5	5
Staff	22	17
	<u>27</u>	<u>22</u>

9 Emoluments of directors

No director received or waived any remuneration during the 12 month period (12 months to 3 Jan 2004: £Nil) in respect of his services.

The emoluments of the directors are borne by the ultimate parent company and are deemed to be wholly attributable to services to that company. No recharge is made to this company.

10 Stocks

	Group 1 Jan 2005 £	Company 1 Jan 2005 £	Group 3 Jan 2004 £	Company 3 Jan 2004 £
Finished goods and goods for resale	29,057,544	9,123,805	8,077,384	4,756,946

There is no material difference between the cost of stock as stated and its replacement cost.

The stock value of £29,057,544 (company £9,123,805) at 1 January 2005 relates entirely to goods in transit as at that date.

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

11 Debtors

	Group	Company	Group	Company
	1 Jan 2005	1 Jan 2005	3 Jan 2004	3 Jan 2004
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	31,259,175	18,793,856	11,064,312	4,459,182
Amounts owed by group companies	10,537,730	3,634,108	3,298,531	3,352,566
Other debtors	357,167	357,167	2,199,350	2,199,350
Deferred tax asset	730	730	61,015	61,015
Corporation Tax	-	-	7,878	23,609
Total Debtors	42,154,802	22,785,861	16,631,086	10,095,722

Deferred tax

The movement on the deferred tax assets is as follows:

	Group	Company	Group	Company
	1 Jan 2005	1 Jan 2005	3 Jan 2004	3 Jan 2004
	£	£	£	£
At the beginning of the period	61,015	61,015	150,055	150,055
Profit & loss account	(60,285)	(60,285)	(89,040)	(89,040)
At end of period	730	730	61,015	61,015
Accelerated capital allowances	753	753	1,004	1,004
Other	0	0	61,912	61,912
	753	753	62,916	62,916
Discount	(23)	(23)	(1,901)	(1,901)
	730	730	61,015	61,015

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

12 Creditors: Amounts falling due within one year:

	Group	Company	Group	Company
	1 Jan 2005	1 Jan 2005	3 Jan 2004	3 Jan 2004
	£	£	£	£
Trade creditors	43,759,251	14,327,057	2,916,267	430,130
Amounts owed to group companies	13,046,779	9,185,842	19,936,451	10,530,253
Corporation Tax	2,559,372	930,650	-	-
Other creditors	871,874	721,335	1,075,133	858,244
	<u>60,237,276</u>	<u>25,164,884</u>	<u>23,927,851</u>	<u>11,818,627</u>

13 Provisions for liabilities and charges

The movement in the provision for expected losses on steel purchase onerous contracts has been recognised in the accounts as follows, and is expected to be realised before 30 June 2005:

	£
Balance brought forward 3 Jan 04	-
Additional provision made during the period	267,000
Utilised in period	-
Balance carried forward 1 Jan 05	<u>267,000</u>

14 Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	Group	Company	Group	Company
	3 Jan 2004 & 1 Jan 2005	3 Jan 2004 & 1 Jan 2005	3 Jan 2004 & 1 Jan 2005	3 Jan 2004 & 1 Jan 2005
	£	£	£	£
The share capital of the company is shown below:				
Ordinary shares of £1 each	<u>1,657,666</u>	<u>1,657,666</u>	<u>1,657,666</u>	<u>1,657,666</u>

Corus International Trading Limited
Notes to the financial statements
for the 12 months ended 1 January 2005 (continued)

15 Reserves

	Group profit & loss account £	Company profit & loss account £
At 3 January 2004	3,108,111	2,945,323
Profit for the period	5,942,857	2,142,359
At 1 January 2005	<u>9,050,968</u>	<u>5,087,682</u>

16 Pension and similar obligations

Corus International Trading Limited participates in the British Steel Pension Scheme operated by the ultimate parent company. This is a funded, defined benefit scheme providing benefits based on final pay and service at retirement. The fund is valued every three years by a professionally qualified independent actuary. The latest formal valuation was carried out as at 31 March 2005, although the actuarial assessment of this valuation is as yet unavailable. The latest available actuarial assessment of the scheme relates to the valuation carried out at 31 March 2002. Particulars of this valuation are contained within the accounts of Corus Group plc. The contributions paid by the Company are accounted for as if the scheme were a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme. The pension cost for the 12 months to 1 January 2005 amounted to £300 (12 months to 3 January 2004: £6,294). The scheme is currently in surplus and the Directors do not consider that the contribution rates will change significantly until the results of the next actuarial assessment are made available.

17 Ultimate holding company

At 1 January 2005, the directors regarded Corus Group plc, a company registered and incorporated in Great Britain, as the ultimate holding company and controlling party. The registered office of Corus Group plc was 30 Millbank, London SW1P 4WY. Copies of the financial statements of this company and the group may be obtained from this address.

18 Principal subsidiary undertakings and joint ventures

Corus International Trading Limited holds 100% of the equity and shares of Industrial Steels Limited, which is incorporated in England and Wales. Industrial Steels Limited principal activity is the performance of world-wide trade in steel, with the majority of sales operations in North America.

19 Related Party Transactions

Corus International Trading Limited is a wholly owned subsidiary of Corus Group Plc, the consolidated accounts of which are publicly available. All intercompany transactions are eliminated on consolidation and therefore an FRS 8 exemption has been taken with regard to Related Party Transactions.

Corus Group Plc provides Corus International Trading Limited with a number of support and administrative services.