

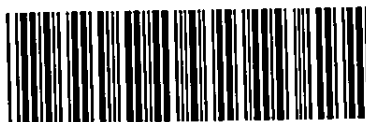
Reports & Financial Statements

For the year ended 31 December 2007

Steelhold Plc

Company Registration No. 2585858

THURSDAY



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COMPANIES HOUSE

STEELHOLD PLC

DIRECTORS	I-B Courtier M Dufour T Lejeune S Ward-Jones
SECRETARY	Reed Smith Corporate Services Limited
COMPANY NUMBER	2585858
REGISTERED OFFICE	4 Prince's Way Solihull West Midlands B91 3AL
AUDITORS	Mazars LLP The Atrium Park Street West Luton Bedfordshire LU1 3BE

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DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

DIRECTORS

The following directors have held office during the whole of the period from 1 January 2007 to the date of this report unless otherwise stated

J-B Courtier Managing Director
M Dufour
T Lejeune
S Ward-Jones (appointed 10 July 2008)

DIRECTORS' INTERESTS

The interests of the directors holding office at 31 December 2007 in the ordinary shares of Steelhold Plc, according to the register of directors' interests, were as shown below

	Number of shares	
	31 December 2007	31 December 2006
T Lejeune	1	1

DIRECTORS' REPORT (continued)

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

During the year, the company's only source of income was interest from the cash held on deposit and from the group

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that all suppliers are made aware of the terms of payment and to abide by the terms of payment

During the year creditors were paid on an invoices received basis

RESULTS

The results for the year are set out on page 5

The profit for the year amounted to £4,015 (2006 £2,176), which is taken to the profit and loss account

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information

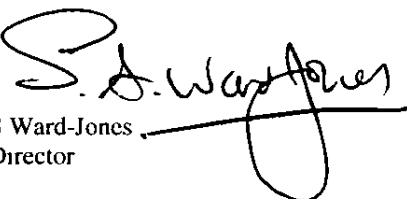
As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware

AUDITORS

A resolution to reappoint Mazars LLP as auditors to the company and to authorise the directors to fix their remuneration will be proposed at the annual general meeting

Approved by the board on
and signed on its behalf by

22/07/08


S Ward-Jones
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**STEELHOLD PLC**

We have audited the financial statements of Steelhold Plc for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and related notes. These financial statements have been prepared under the historical cost convention and on a realisation basis and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

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Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.



Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

MAZARS LLP

MAZARS LLP
CHARTERED ACCOUNTANTS
and Registered Auditors
The Atrium
Park Street West
Luton
Bedfordshire
LU1 3BE

Date *23 Jun 2008*

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

	Notes	2007 £	2006 £
TURNOVER	2	-	-
Administrative expenses		<u>(7,477)</u>	<u>(7,181)</u>
OPERATING LOSS	3	(7,477)	(7,181)
Other interest receivable and similar income	4	<u>13,212</u>	<u>10,289</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,735	3,108
Tax on profit on ordinary activities	6	<u>(1,720)</u>	<u>(932)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u><u>4,015</u></u>	<u><u>2,176</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

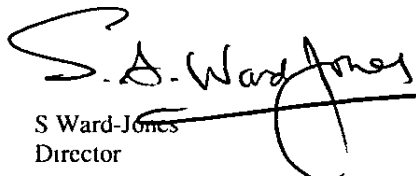
There are no recognised gains and losses other than those passing through the profit and loss account

BALANCE SHEET as at 31 December 2007

	Notes	2007 £	2006 £
CURRENT ASSETS			
Debtors	7	234,740	221,900
Cash at bank and in hand		5,448	11,247
		<u>240,188</u>	<u>233,147</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(9,868)	(6,842)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>230,320</u>	<u>226,305</u>
CAPITAL AND RESERVES			
Share capital	9	7,337,898	7,337,898
Share premium account	10	15,238,580	15,238,580
Profit and loss account	10	(22,346,158)	(22,350,173)
SHAREHOLDERS' FUNDS	11	<u>230,320</u>	<u>226,305</u>

Approved by the Board on
and signed on its behalf by

22/07/08


S Ward-Jones
Director

CASH FLOW STATEMENT
For the year ended 31 December 2007

	Notes	2007 £	2006 £
Net cash outflow from operating activities	12	(5,414)	(7,854)
Returns on investments and servicing of finance			
Interest received		<u>59</u>	<u>132</u>
Net cash inflow for returns on investments and servicing of finance		59	132
Taxation		<u>(444)</u>	<u>(6,742)</u>
Net cash outflow before management of liquid resources and financing		<u>(5,799)</u>	<u>(14,464)</u>
Decrease in cash in the year	13	<u><u>(5,799)</u></u>	<u><u>(14,464)</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and on a realisation basis as it is the intention of the directors to ultimately wind down the company following the termination of its contract with other group companies

(b) Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

(c) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 have occurred at that date that will result in an obligation to pay more tax, or a right to pay less or to receive more tax. Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 OPERATING LOSS

	2007	2006
	£	£
Operating loss is stated after charging		
Auditors' remuneration – audit services	2,600	2,600
Auditors' remuneration – services other than audit	1,780	1,780
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007 (continued)

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Interest receivable from group undertakings	13,153	10,157
Bank interest	56	127
Other interest	3	5
	<u>13,212</u>	<u>10,289</u>

5 EMPLOYEES

Number of employees

There were no employees during the current or prior year. No emoluments were receivable by directors in respect of qualifying services in the current or prior year.

6 TAXATION

	2007	2006
	£	£
(a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year	<u>1,720</u>	<u>932</u>

(b) Factors affecting tax charge of year

There is no significant difference between the average rate of tax for the year based on the UK standard company rate of corporation tax of 30% (2006: 30%) and the actual tax charge for the year.

7 DEBTORS

	2007	2006
	£	£
Amounts owed by group undertakings	234,740	221,587
Other debtors	-	313
	<u>234,740</u>	<u>221,900</u>

Included in amounts owed by group undertakings is a loan to Arcelor Treasury of £234,740 (2006: £221,587).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007 (continued)

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Corporation tax	2,208	932
Accruals and deferred income	7,660	5,910
	<u>9,868</u>	<u>6,842</u>

9 SHARE CAPITAL

	2007	2006
	£	£
Authorised		
29,351,592 ordinary shares of 25p each	7,337,898	7,337,898
	<u>7,337,898</u>	<u>7,337,898</u>
Allotted, called up and fully paid		
29,351,592 ordinary shares of 25p each	7,337,898	7,337,898
	<u>7,337,898</u>	<u>7,337,898</u>

10 STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2007	15,238,580	(22,350,173)	(7,111,593)
Retained profit for the year	-	4,015	4,015
	<u>15,238,580</u>	<u>(22,346,158)</u>	<u>(7,107,578)</u>
Balance at 31 December 2007	15,238,580	(22,346,158)	(7,107,578)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007 (continued)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	4,015	2,176
Opening shareholders' funds	226,305	224,129
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>230,320</u>	<u>226,305</u>

12 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating loss	(7,477)	(7,181)
Decrease/(increase) in debtors	313	2
(Decrease)/increase in creditors within one year	1,750	(675)
	<u> </u>	<u> </u>
Net cash outflow from operating activities	<u>(5,414)</u>	<u>(7,854)</u>

13 ANALYSIS OF NET FUNDS

	1 January		31 December
	2007	Cash flow	2007
	£	£	£
Net cash			
Cash at bank and in hand	11,247	(5,799)	5,448
	<u> </u>	<u> </u>	<u> </u>
Net funds	<u>11,247</u>	<u>(5,799)</u>	<u>5,448</u>

14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	£	£
Decrease in cash in the year	(5,799)	(14,464)
Opening net funds	11,247	25,711
	<u> </u>	<u> </u>
Closing net funds	<u>5,448</u>	<u>11,247</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2007 (continued)

15 RELATED PARTY TRANSACTIONS

Accountancy fees of £1,500 were charged by Arcelor Commercial FCSE UK (2006 £1,500) and interest was received from a loan account with Arcelor Treasury of £13,153 (2006 £10,157) The balance outstanding is shown in note 7

16 CONTROL

The immediate parent company is Arcelor Mittal France SA, incorporated in France, and the ultimate parent company is Arcelor Mittal SA incorporated in Luxembourg

The company is not consolidated within the parent company accounts