
Corus Group plc

Third quarter 2006 Results

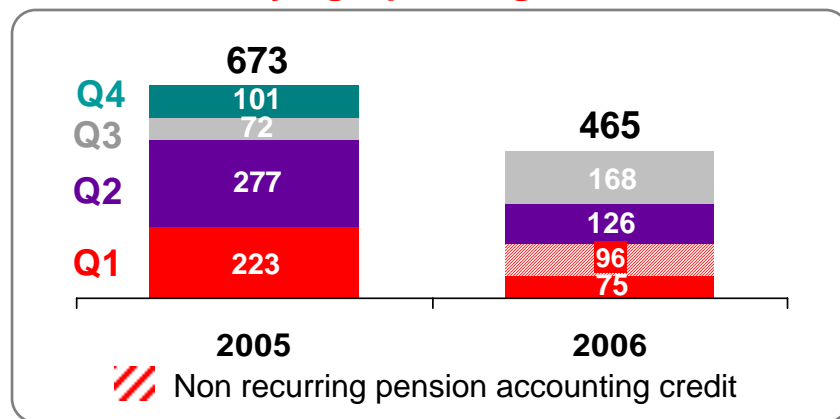
29 November 2006

Continuing operations

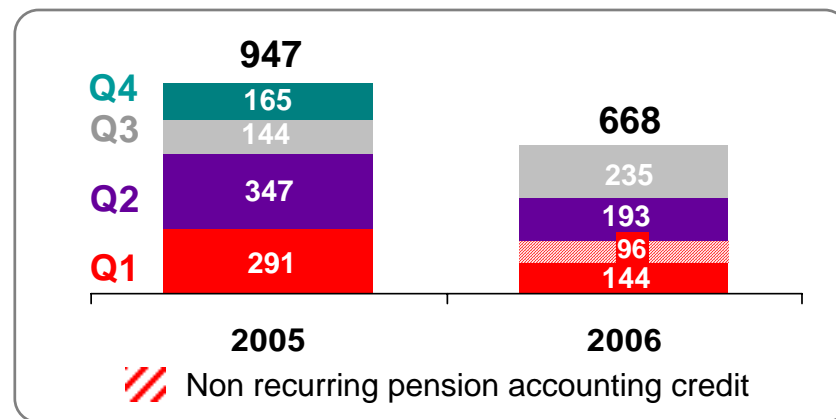
Key highlights



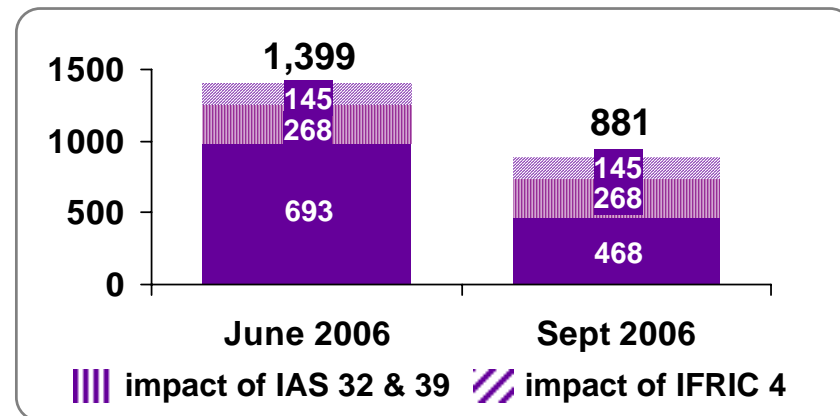
Underlying Operating Profit* £m



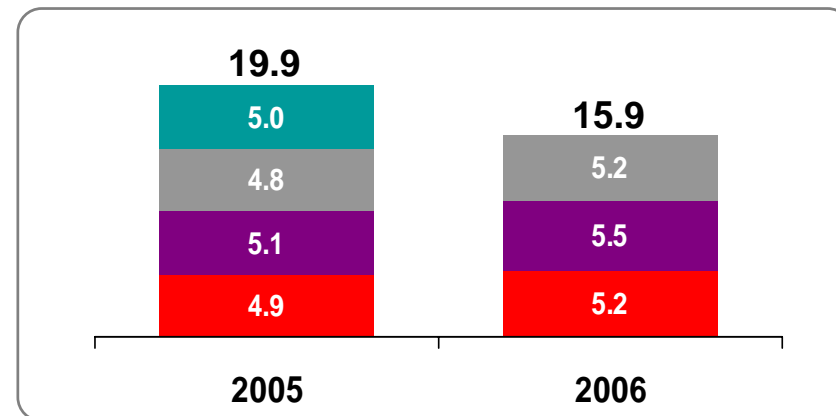
EBITDA* £m



Net debt £m



Deliveries (kt)**

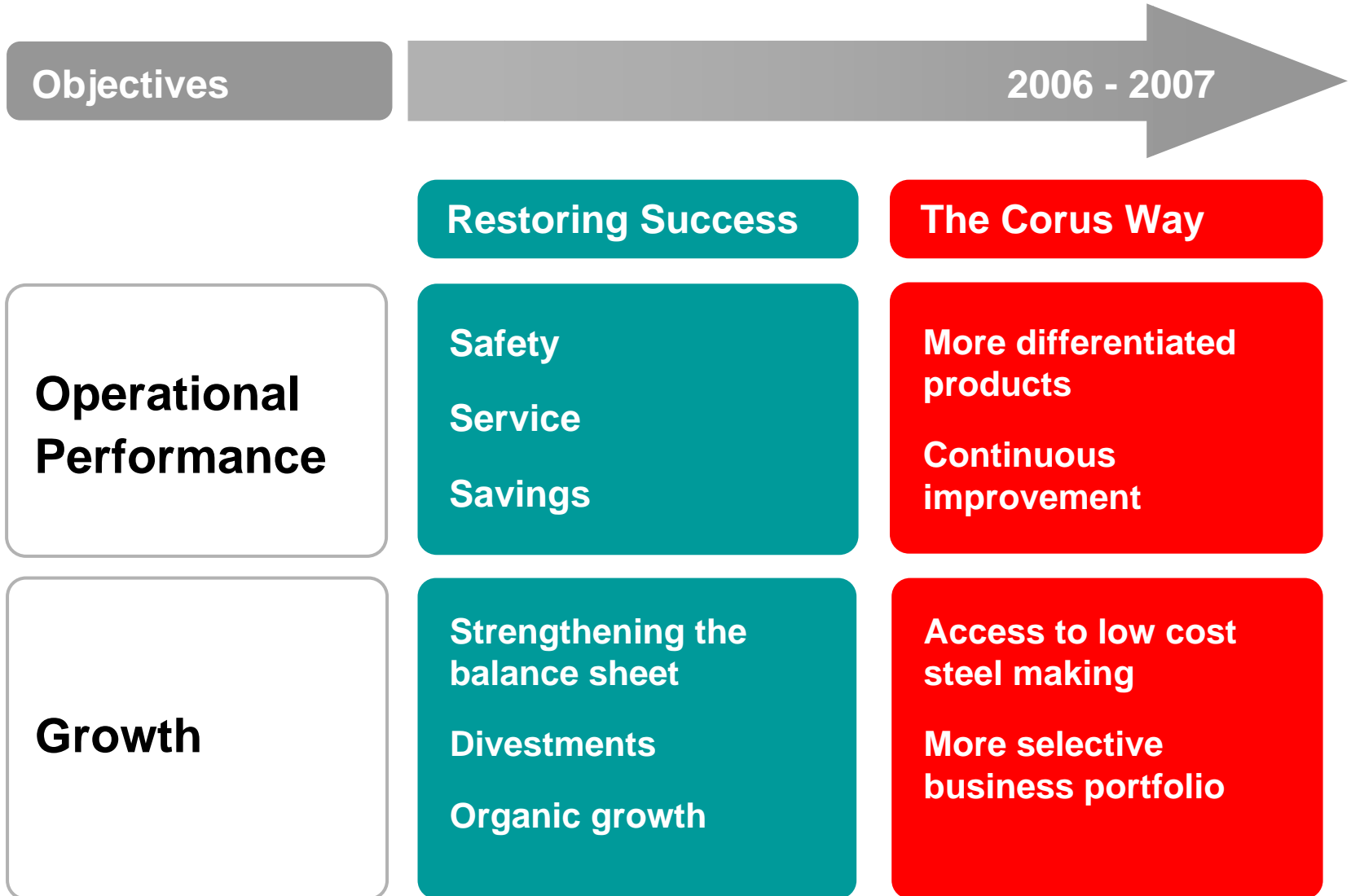


* Continuing operations. Before restructuring, impairment and disposals.

**Includes Teesside slab deliveries to the consortium under the long-term off take agreement of 0.6mt in the first nine months of 2006.

The Corus Way

The Future for Corus



Q3 financial results

Group income statement

£ million	Q2 2006	Q3 2006	9 months Sept 2005	9 months Sept 2006
<i>Continuing operations</i>				
Turnover	2,405	2,489	6,958	7,183
EBITDA* <i>including:</i>	193	235	782	668
<i>Non-recurring pension credit</i>	-	-	-	(96)
EBITDA* excluding non-recurring pension credit	193	235	782	572
EBITDA* margin (%)	8.0%	9.4%	11.2%	9.3%
Operating profit before restructuring, impairments & disposals	126	168	572	465
<i>Restructuring & impairment costs</i>	(1)	(13)	(30)	(20)
<i>Disposal profits (net)</i>	4	16	18	31
Group operating profit	129	171	560	476

* Before restructuring, impairment and disposals

Group income statement

£ million	Q2 2006	Q3 2006	9 months Sept 2005	9 months Sept 2006
Group operating profit	129	171	560	476
Net finance costs <i>including:-</i>	(28)	(17)	(68)	(161)
<i>Premium to redeem 2016 debenture</i>	-	-	-	(87)
Joint ventures & associates	5	9	-	15
Profit before taxation	106	163	492	330
Taxation	(33)	(46)	(120)	(107)
Profit after tax - continued operations	73	117	372	223
Profit after tax - discontinued operations	9	25	15	46
Profit after tax	82	142	387	269
Earnings per share (p)	9.1p	15.8p	43.3p	29.5p

Segmentation

Strip products



£ million	Q2 2006	Q3 2006	% change	9 months Sept 2005	9 months Sept 2006	% change
Gross turnover	1,333	1,356	-	3,919	4,029	3
<i>Deliveries (kt)</i>	2,927	2,802	(4)	8,441	8,698	3
<i>Average revenue (£/t)</i>	455	484	6	464	463	-
EBITDA*	135	165		639	449	
<i>EBITDA* margin (%)</i>	10.1	12.2		16.3	11.1	
Operating result*	87	120		507	313	

* Before restructuring, impairment and disposals

Segmentation

Long products



£ million	Q2 2006	Q3 2006	% <i>change</i>	9 months Sept 2005	9 months Sept 2006	% <i>change</i>
Gross turnover	702	652	(7)	2,041	2,002	(2)
<i>Deliveries (kt)</i>	1,933	1,711	(12)	5,387	5,496	2
<i>Average revenue (£/t)</i>	363	381	5	379	364	(4)
EBITDA*	42	28		157	60	
<i>EBITDA* margin (%)</i>	6.0	4.3		7.7	3.0	
Operating result*	26	11		108	11	

* Before restructuring, impairment and disposals

Segmentation

Distribution and Building Systems



£ million	Q2 2006	Q3 2006	% 9 months <i>change</i> Sept 2005	2,281	9 months Sept 2006	% <i>change</i>
Gross turnover	760	834	10		2,274	-
<i>Deliveries (kt)</i>	1,719	1,713	-	4,937	4,894	(1)
<i>Average revenue (£/t)</i>	442	487	10	462	465	1
EBITDA*	23	34		46	65	
<i>EBITDA* margin (%)</i>	3.0	4.1		2.0	2.9	
Operating result*	18	30		31	51	

* Before restructuring, impairment and disposals

Segmentation

Aluminium



Continuing operations

£ million	Q2 2006	Q3 2006	% change	9 months Sept 2005	9 months Sept 2006	% change
Gross turnover	28	80	186	72	138	92
<i>Deliveries (kt)</i>	21	49	133	73	92	26
EBITDA*	(11)	(4)		(1)	(16)	
Operating result*	(11)	(4)		(9)	(16)	

* Before restructuring, impairment and disposals

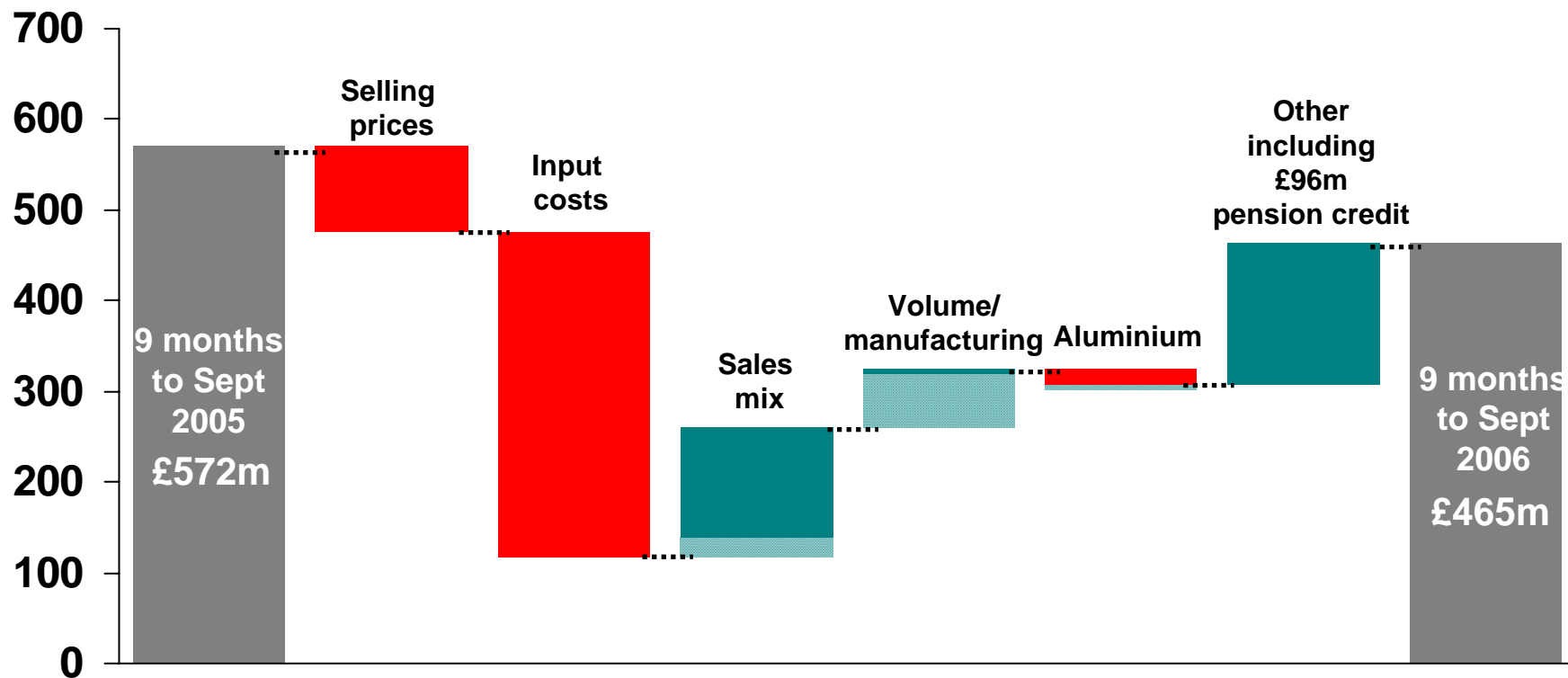
Cumulative group operating result*

Operating bridge 2006 vs 2005



Continuing operations - £ million

 impact of Restoring Success



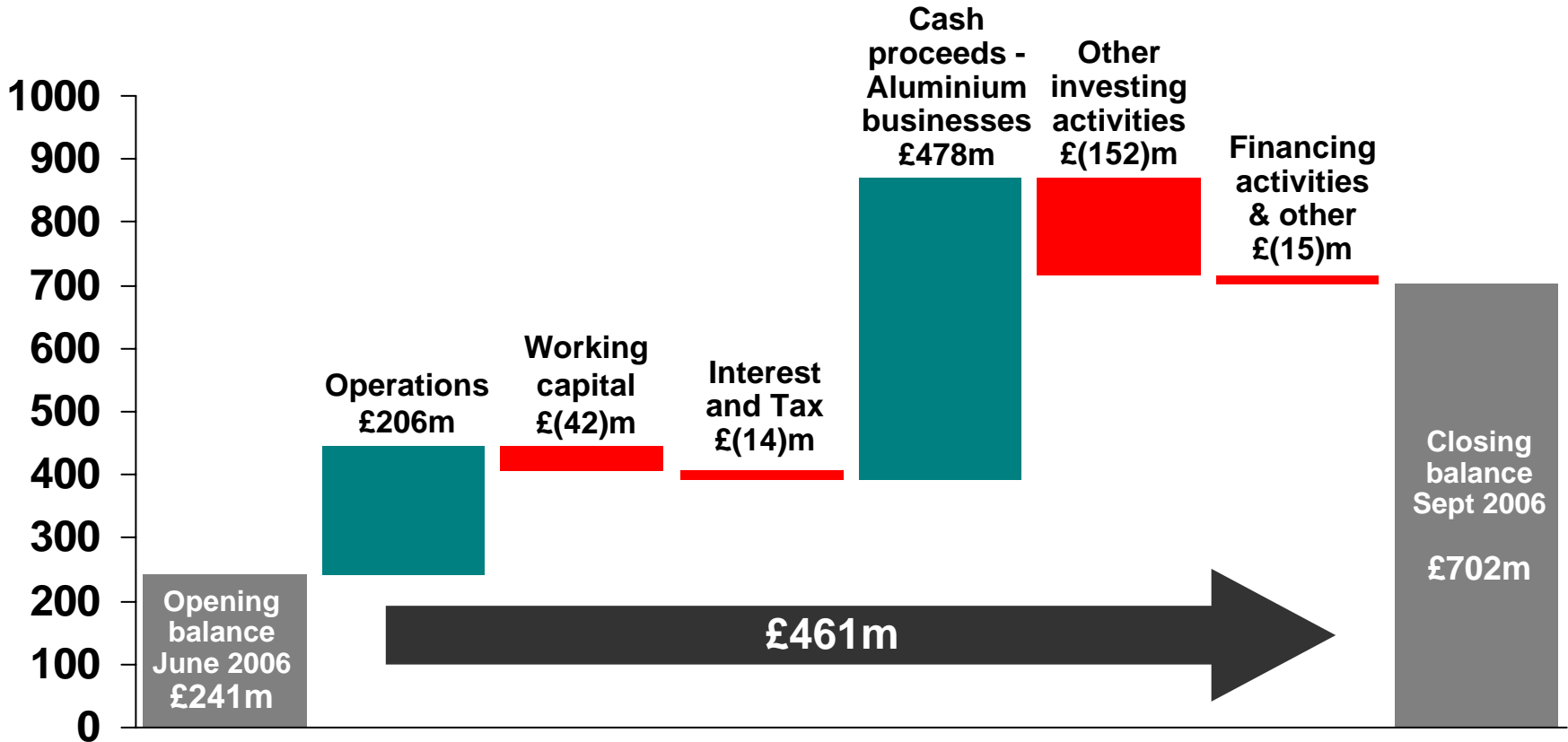
* Before restructuring, impairment and disposals

Group cash flow

Movement in cash & cash equivalents



£ million

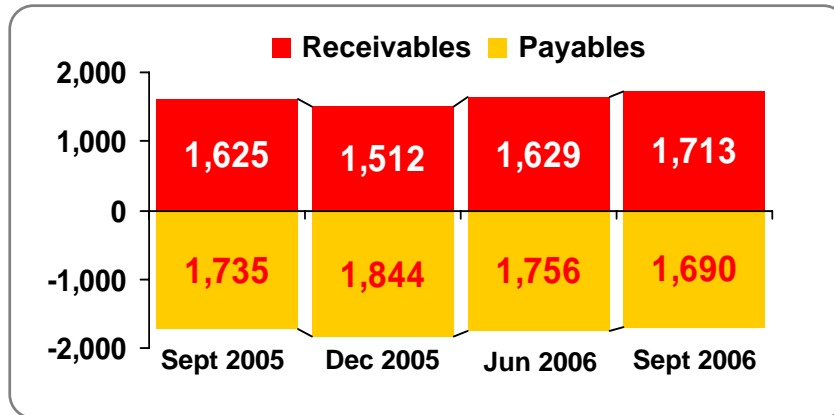


Net borrowings

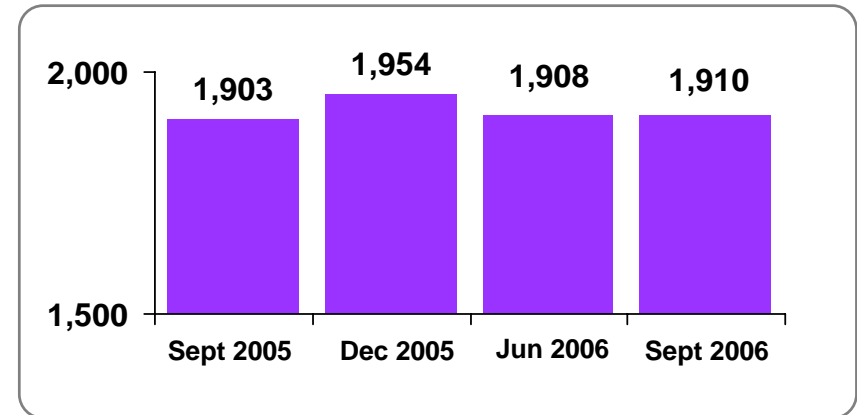
IFRS £ million	Q4 2005	Q1 2006	Q2 2006	Q3 2006
Opening net debt	(961)	(821)	(1,319)	(1,399)
<i>Movement in cash and cash equivalents</i>	145	(485)	(99)	461
Net movement in short-term investments and debt	9	153	12	19
Effect of foreign exchange rate movements	(6)	(15)	7	17
Other movements	(8)	(6)	-	21
<i>Movement in net debt</i>	140	(353)	(80)	518
Sub total	(821)	(1,174)	(1,399)	(881)
Initial adoption of IFRIC 4		(145)	-	-
Closing net debt	(821)	(1,319)	(1,399)	(881)

Working capital

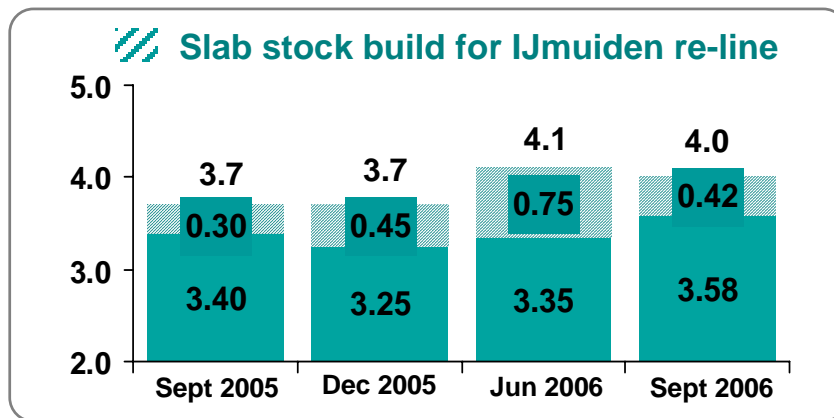
Trade Receivables / Payables £m



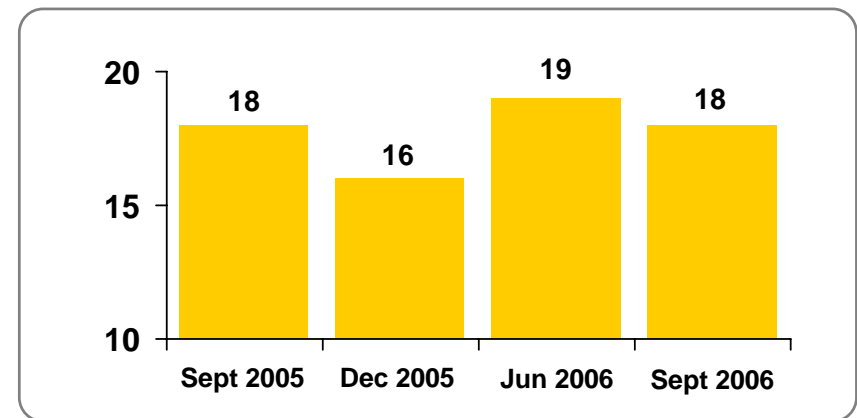
Inventories £m



Carbon steel inventories kt



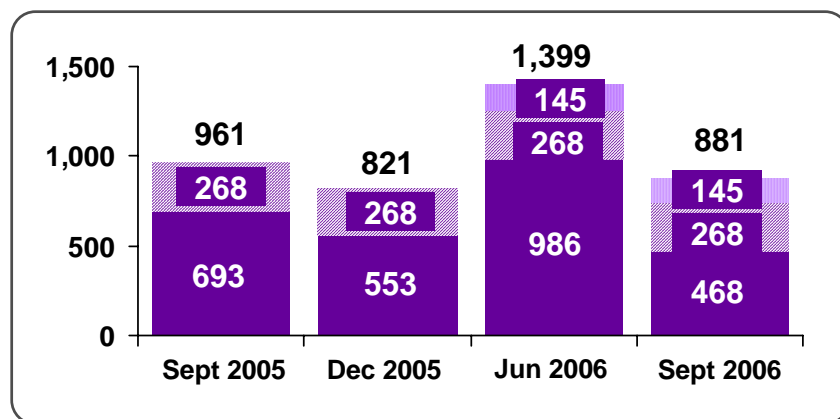
Total working capital % Turnover*



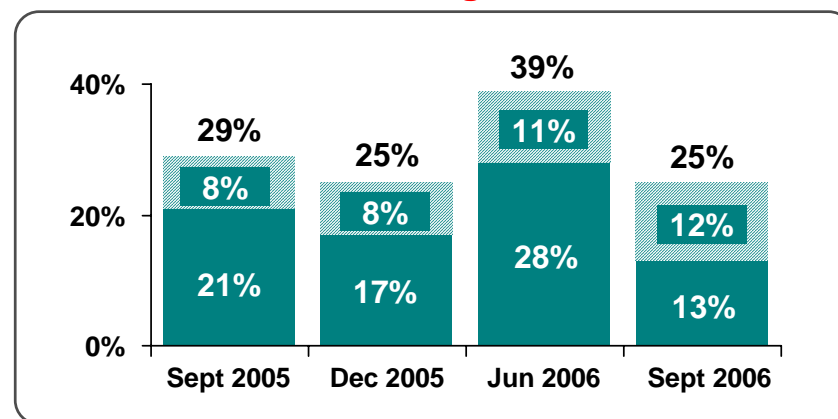
* Last 3 months turnover annualised

Financial position

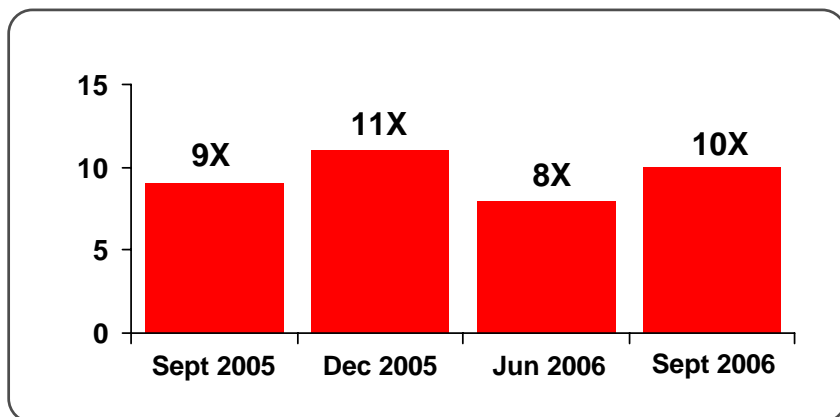
Net Debt £m



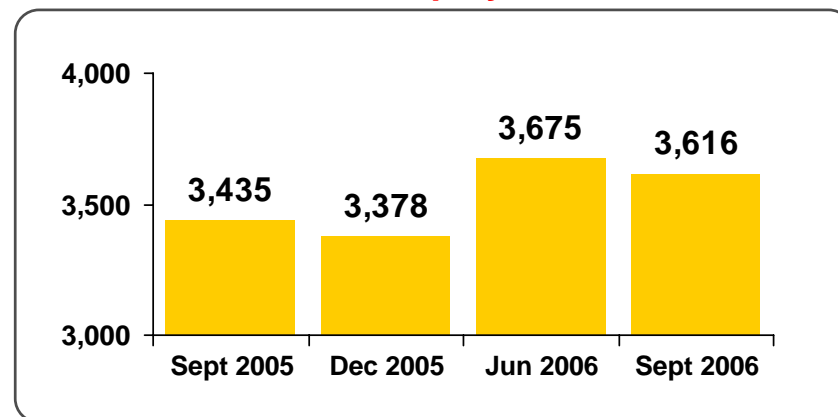
Gearing %



EBITDA / Interest*



Total equity £m



* Last twelve months, normalised net interest, excluding IAS 32 and 39 adjustments and non-recurring items

Balance Sheet

£ million	Dec 2005	June 2006	Sept 2006
Non-current assets	3,496	3,566	3,428
Current assets	4,443	3,931	4,412
Assets held for sale	3	760	-
Total assets	7,942	8,257	7,840
Current liabilities	(2,467)	(2,381)	(2,368)
Liabilities held for sale	-	(323)	-
Non-current liabilities	(2,097)	(1,878)	(1,856)
Total liabilities	(4,564)	(4,582)	(4,224)
Net assets	3,378	3,675	3,616

Pensions

£ million	Dec 2005	June 2006	Sept 2006
BSPS Surplus	67	375	243
SPH Scheme Surplus	87	82	70
CESPS Scheme Deficit	(193)	(145)	(154)
Group's main funded schemes	(39)	312	159
Total unfunded German schemes	(156)	(48)	(50)
Other schemes	(68)	(41)	(43)
Sub-total pension (liabilities)/assets	(263)	223	66
Post retirement benefits	(21)	(15)	(14)
Total net retirement (liabilities)/assets	(284)	208	52

Key messages

- Q3 operating profit increased to £171m (Q2: £129m)
- Profit after tax increased to £117m (Q2: £73m)
- EPS increased to 15.76p
- Net debt reduced by £518m to £881m

Market outlook

Global steel demand

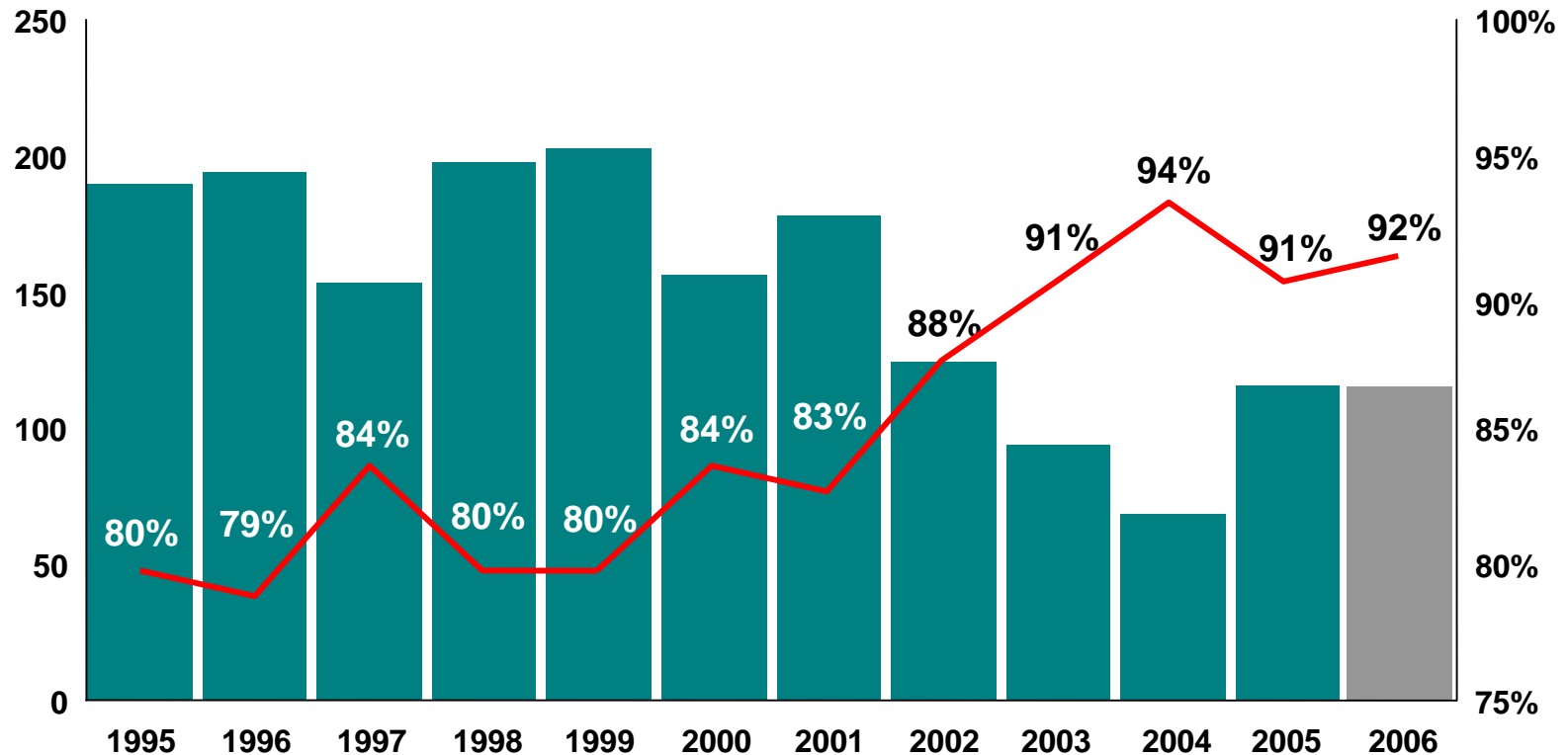
	Growth rates			
	2004 mt	% of total	Actual 2005	Estimate 2006
China	320	32	17%	14%
NAFTA	136	14	(9)%	9%
Europe (EU25)	163	17	(5)%	8%
Rest of World	413	42	2%	4%
World	1,032	100	4%	9%

Robust worldwide growth continues

Global steel supply and demand balance

Global excess effective capacity and utilisation

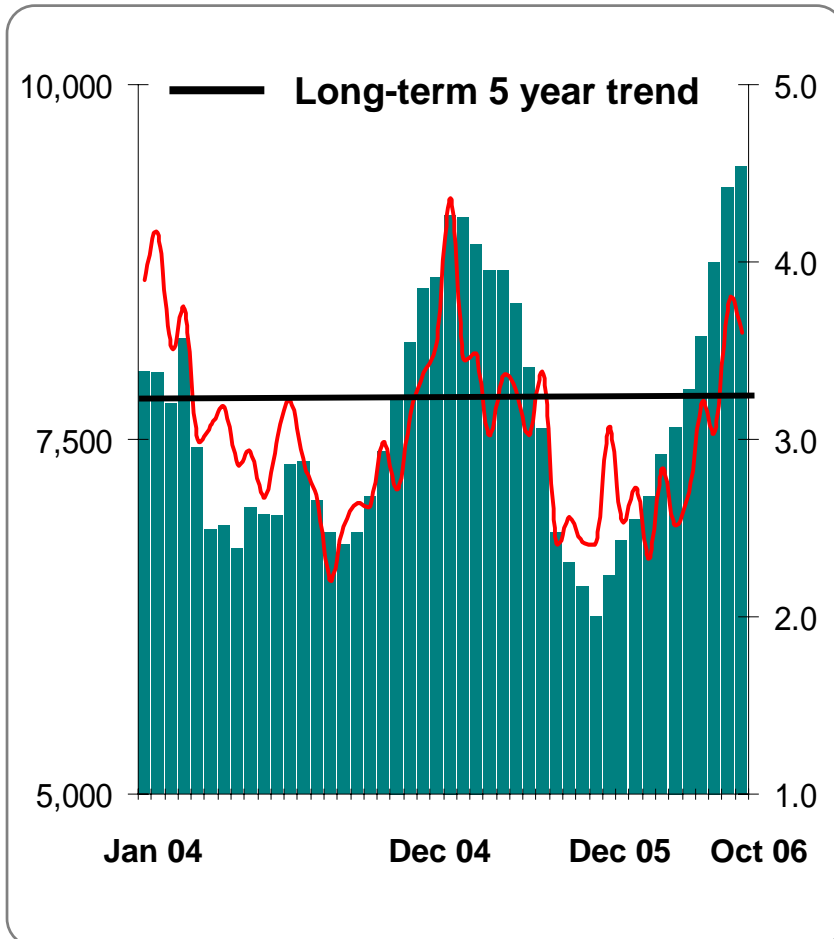
million tonnes



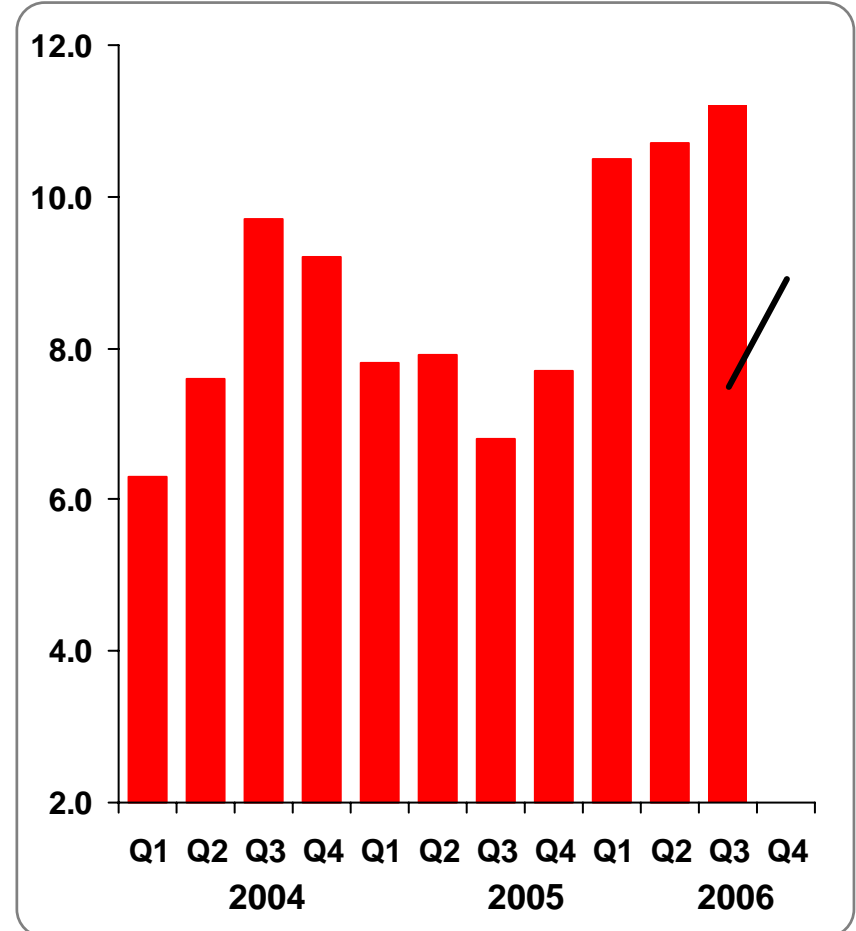
Global steel supply / demand balance forecast to remain tight

USA situation

USA steel sheet stocks (mt/months)*



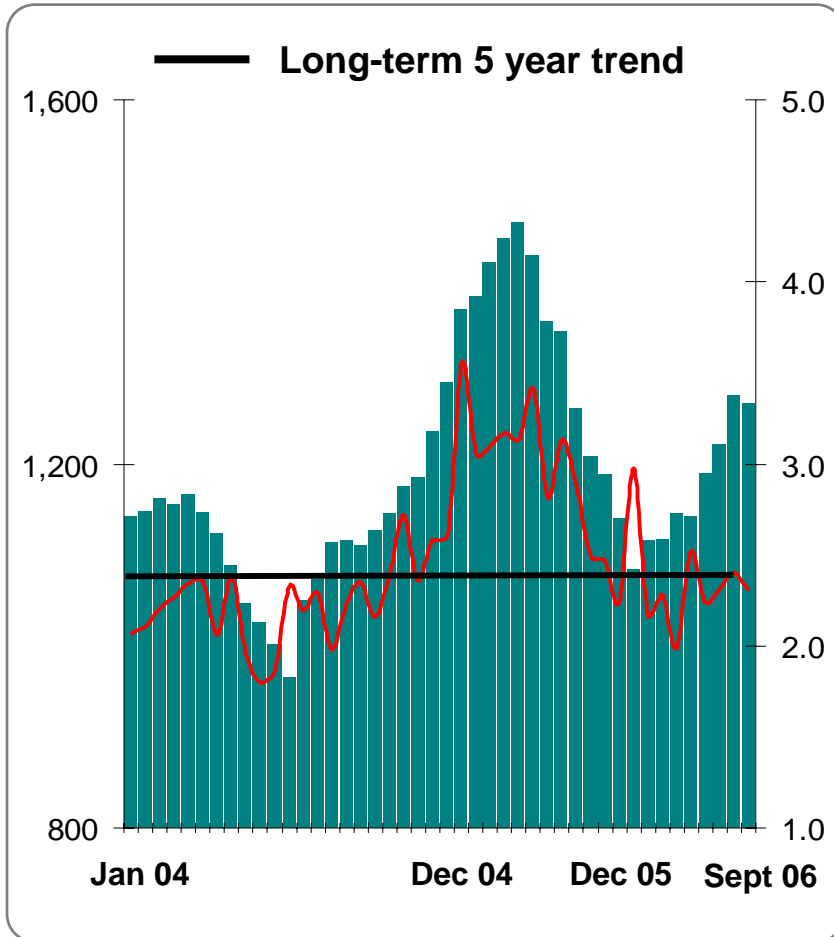
USA imports & import licences (mt)**



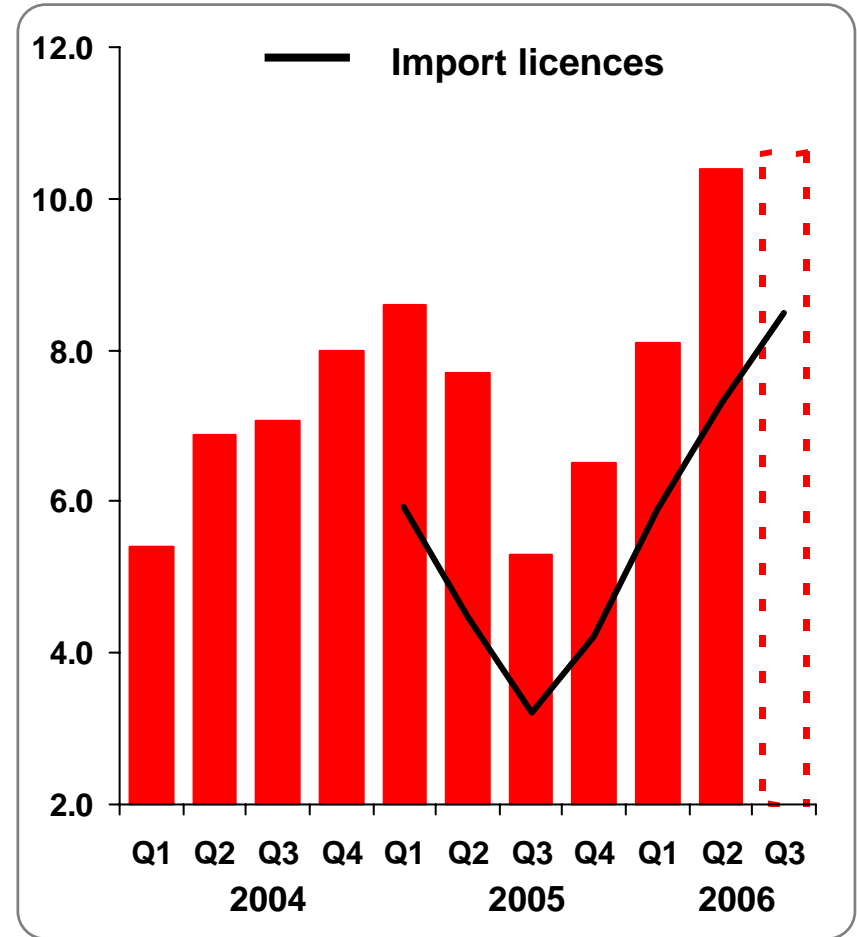
Source: *CRU, ** US census bureau

European situation

German steel sheet stocks (mt/months)



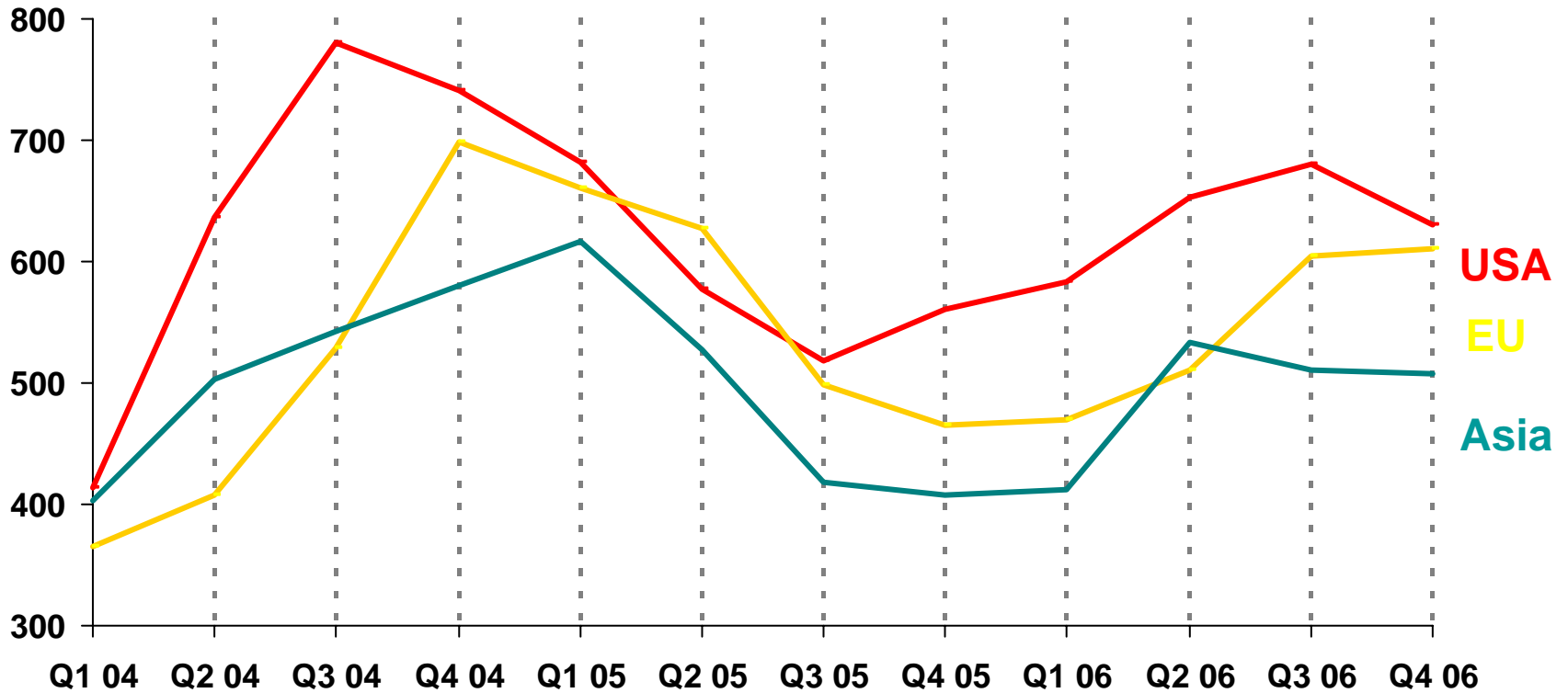
EU 25 imports & import licences (mt)**



Source: *CRU, ** ISSB

Selling prices

\$ per tonne



Note: Hot rolled coil market prices

Source: Corus

Q4 outlook

- Global demand remains strong
- European commercial environment in Q4 remains stable
- Close monitoring of market situation into 2007
- Lower steel production due to IJmuiden blast furnace reline and normal, seasonal stop periods

Cautionary statement

Certain forward looking statements

This presentation and associated discussion contains certain forward looking statements. These statements are subject to risks and uncertainties because they relate to events that may or will occur in the future and could cause actual results to differ materially from those expressed. Many of these risks and uncertainties relate to factors that are beyond Corus' ability to control or estimate precisely, such as future market and economic conditions, the actions of competitors, operational problems and the actions of government regulators. Although Corus believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Corus undertakes no obligation to update or publicly revise forward-looking statements. All written, oral and electronic forward looking statements attributable to Corus or persons acting on behalf of Corus are expressly qualified in their entirety by this cautionary statement.

This presentation also contains certain financial information that is not presented in accordance with generally accepted accounting principles (GAAP).