

31 December 2004

**P&O EXCEEDS £350 MILLION NET PROPERTY SALES IN 2004 WITH SALE OF ATLANTA, US PORTFOLIO**

P&O announces the sale of its entire property portfolio in Atlanta, US for total proceeds of US\$93 million (£48 million) in four separate transactions.

P&O will report a profit over book value of approximately US\$20 million (£10 million) from the transactions and the proceeds will be used to reduce Group net debt. This is part of P&O's ongoing strategy of realising value from its property portfolio and focusing on its high growth ports business.

As a result of this announcement and the recent sale of the La Manga Club resort, P&O's net property sales for 2004 exceed £350 million.

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**Notes to editors:**

1. P&O's property portfolio in Atlanta is held by a wholly owned subsidiary, Technology Park Atlanta. The portfolio comprises 759 acres of development land held in four business parks and 390,700 square feet of office space. The developments provide mid and low rise campus style property in parkland settings for a range of commercial, residential and retail uses including technology, scientific research, medical and business services.
2. The office space is being sold to AEW Capital Management, LP, a real estate advisory firm and to Professional Office Partners IV, LLC. The development land is being sold to Atlantic Realty and to the local management team.
3. The transactions are due to complete during 31 December and US\$85 million (£44 million) of the proceeds are due to be received on that date. The balance of US\$8 million (£4 million) is due to be received in early 2005.
4. For the 6 months to 30 June 2004, P&O's property division reported £37.7 million operating profit (£31.1 million from the US) and at 30 June 2004 reported £755.4 million of net operating assets (£263.8 million in the US).

5. For 2004, P&O set a target of £250 million net property sales which has now been exceeded. In addition to this target, the recent sale of La Manga Club in Spain means that P&O has achieved total net property sales in excess of £350 million in 2004. This compares to total property net operating assets of £808.0 million reported at 31 December 2003. Properties have been sold from across the portfolio in the US, UK and Continental Europe as well as the sale of the Australian Resorts business and La Manga Club.

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