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## **P&O PROPERTY DISPOSALS IN THE US AND GERMANY**

P&O announces two significant property sales in the US and Germany.

The Boston Wharf Company, a wholly owned subsidiary of P&O, has sold 12 buildings comprising 380,000 square feet of office space for US\$92 million (£51 million) to HDGM Holdings, LLC, a US based real estate investment firm. The buildings are let to the Thomson Financial Group and were part of the Boston Wharf portfolio located in the thriving Seaport District, close to Boston's financial centre. P&O will report a profit over book value on the transaction of approximately £20 million within operating profit for the half year to 30 June. The proceeds have been received and will be used to reduce Group net debt.

The HTC Hanseatic Trade Center GmbH and Co. Grundbesitz KG partnership ("HTC") has sold a major phase of its office development in Hamburg to Credit Suisse Asset Management. P&O holds a 47.5% interest in HTC. HTC has received the cash proceeds from the sale which will be used by the partnership to reduce net debt. The transaction results in a reduction in P&O's property net operating assets and its share of joint venture and associate net debt by approximately £30 million. No significant gain or loss arises.

P&O remains on track to meet its target of £250 million net property sales in 2004.

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### **Notes to editors:**

1. Boston Wharf Company owns a freehold interest in over two million square feet of buildings covering approximately 10 acres in Boston's Seaport District. The majority of the buildings were originally constructed as warehouses and many have been refurbished. The portfolio now includes a diverse range of office buildings, parking garages, surface parking as well as some unimproved commercial properties. Boston Wharf is located on the south side of the Fort Point Channel close to the Boston Finance District and Logan Airport.
2. The HTC Hanseatic Trade Center GmbH and Co. Grundbesitz KG partnership ("HTC") comprises five office buildings located in the Hamburg port area and a short distance from the central business district. The total site comprises approximately 96,000 square metres plus parking space. The transaction relates to one of the larger buildings which comprises approximately one quarter of the space. Final completion remains subject to confirmation of title and other approvals.

3. For the year to 31 December 2003, P&O reported £39.8 million operating profit and at 31 December 2003 reported £813.5 million of net operating assets for its property business. This included operating profit of £17.8 million and net operating assets of £317.4 million in the US and operating profit of £5.0 million and net operating assets of £177.3 million in Continental Europe. The US properties comprise Boston Wharf as well as development properties and land banks in Atlanta, Denver and Houston. In Continental Europe the principal property interest is the 47.5% holding in HTC.

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