

12 March 2004

CIRCULAR RELATING TO P&O NEDLLOYD TRANSACTION

On 2 February, P&O and Royal Nedlloyd N.V. announced that P&O Nedlloyd was in effect to become independently listed. P&O intends to take a 25% shareholding in Royal Nedlloyd N.V. (to be renamed Royal P&O Nedlloyd N.V.), and to receive €215 million cash, for its 50% shareholding in P&O Nedlloyd. The circular relating to this transaction and notice of an extraordinary general meeting (EGM) has been posted to P&O shareholders. P&O's EGM will be held on 29 March 2004 and Royal Nedlloyd's shareholder meeting will take place on 23 March 2004. The transaction is expected to be completed during April 2004.

A copy of the circular is available for public inspection on P&O's website (www.pogroup.com) and at the Document Viewing Facility of the UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

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