



19 December 2005

COLD LOGISTICS SALE COMPLETED

Further to its announcement of 2 November, P&O is pleased to confirm the completion of the sale of its cold logistics business to Versacold Holdings Corp. ('Versacold') for £183 million.

P&O has received cash proceeds of £142 million and C\$69 million (£34 million) of convertible debentures issued by Versacold Income Fund. The balance of the consideration was settled via transfer of third party debt to Versacold.

P&O is a leading developer and operator of container ports around the world. This business accounts for over half of the company's net operating assets and the majority of operating profits. P&O is also a major ferry operator in the UK and has property interests in the US and the UK. For more information, visit www.pogroup.com.

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Notes to editors:

1. Versacold Holdings Corp. of Canada has acquired P&O's cold logistics business which has operations in the US, Australia, New Zealand and Argentina.
2. The cash proceeds were received in a combination of US, Australian and New Zealand dollars and are subject to working capital adjustments.
3. The debentures have a coupon of 7.00%, a term of 5 years and will, at P&O's option, convert into units of Versacold Income Fund. Although it is P&O's intention to retain the debentures, and it is required to do so for a minimum of four months, they were issued as part of a larger offering of 7.00% Extendible Convertible Unsecured Subordinated Debentures and are listed on the Toronto Stock Exchange. As a result, they represent a liquid investment for P&O.
4. On 29 November 2005, P&O announced it was recommending a takeover bid that had been made by DP World.

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