

For immediate release

Not for release, publication or distribution, in whole or in part,
in or into Japan

1 February 2006

**Recommended acquisition of
The Peninsular and Oriental Steam Navigation Company (“P&O”)
by Thunder FZE (the “Offeror”), a wholly owned subsidiary of
Ports, Customs and Free Zone Corporation, Dubai**

Posting of the Circular containing the Revised Proposals

Further to the announcement on 26 January 2006 by P&O and DP World regarding the recommended Revised Proposals for the acquisition of P&O, P&O announces that it has today posted the circular containing, amongst other things, the terms of the Revised Proposals for the acquisition of the Deferred Stock (the “Circular”) to P&O Stockholders and optionholders. As previously notified, the various adjourned Court and Stockholder meetings to consider and, if thought fit, approve the transaction are scheduled to be held on 13 February 2006 at the times detailed in the Circular. Subject to approval at the relevant Court and Stockholder meetings and the sanction of the Court, the transaction is expected to complete on 2 March 2006.

Save in respect of the expected timetable of events (which is set out in the Circular and as referred to above), there have been no changes to the Concessionary Scheme or the Preferred Stock Cancellation.

FSA Document Viewing Facility

Copies of the Circular shall be submitted to the Financial Services Authority (the “FSA”) on 1 February 2006 and will be available for inspection at the FSA Document Viewing Facility from 1 February 2006, which is situated at:

The Financial Services Authority
25 the North Colonnade
Canary Wharf
London E14 5HS
Tel: +44 (0)20 7066 1000

The Circular is also available on P&O’s website www.pogroup.com.

Capitalised terms used, but not defined, in this announcement have the same meaning as given to them in the Circular.

Enquiries:

Brunswick Group (Public Relations adviser to P&O)

Sophie Fitton

Te: +44 (0)20 7404 5959

Bell Pottinger Corporate & Financial (Public Relations adviser to DP World)

Stephen Benzikie

Tel: +44 (0)20 7861 3232

Citigroup Global Markets Limited is acting as financial adviser and corporate broker to P&O and no one else in connection with the Proposals (as amended by the Revised Proposals) and will not be responsible to any other person for providing the protections afforded to clients of Citigroup Global Markets Limited or for providing advice in relation to the Proposals (as amended by the Revised Proposals) or any other matter referred to in this announcement.

N M Rothschild & Sons Limited is acting as financial adviser to P&O and no one else in connection with the Proposals (as amended by the Revised Proposals) and will not be responsible to any other person for providing the protections afforded to clients N M Rothschild & Sons Limited or for providing advice in relation to the Proposals (as amended by the Revised Proposals) or any other matter referred to in this announcement.

Deutsche Bank AG is acting as financial adviser and corporate broker to the Offeror and no one else in connection with the Proposals (as amended by the Revised Proposals) and will not be responsible to any other person for providing the protections afforded to clients of Deutsche Bank AG or for providing advice in relation to the Proposals (as amended by the Revised Proposals) or any other matter referred to in this announcement.

Morgan Stanley & Co. Limited is acting as corporate broker to P&O and no one else in connection with the Proposals (as amended by the Revised Proposals) and will not be responsible to any other person for providing the protections afforded to clients of Morgan Stanley & Co. Limited or for providing advice in relation to the Proposals (as amended by the Revised Proposals) or any other matters referred to in this announcement.

The Loan Notes to be issued pursuant to the Loan Note Alternative have not been, and will not be, registered under the Securities Act or under any relevant securities laws of any states or other jurisdiction of the United States, nor have the relevant clearances been, nor will they be, nor have any steps been taken, nor will any steps be taken, to enable the Loan Notes to be offered in compliance with applicable securities law of Japan. Accordingly, unless an exception under the Securities Act or such securities laws is available, the Loan Note Alternative is not being made available in, and the Loan Notes may not be offered, sold, resold or delivered, directly or indirectly, in, into or from, the United States or Japan, or any other jurisdiction in which an offer of Loan Notes would constitute a violation of relevant laws or require registration thereof. The Loan Notes will not be made available or to or for the account or benefit of any US Person or resident of Japan.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to the announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The statements contained herein are made as at 1 February 2006, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained herein shall be

deemed to be a forecast, projection or estimate of the future financial performance of P&O, DP World or the Offeror except where otherwise stated.

Whether or not a Deferred Stockholder votes his Deferred Stock units at the Deferred Stockholders Court Meeting, the Deferred Stockholders Class Meeting or the Extraordinary General Meeting, if the Deferred Scheme becomes effective, his units of Deferred Stock will be acquired pursuant to the Deferred Scheme. Whether or not a Concessionary Stockholder votes his Concessionary Stock units at the Concessionary Stockholders Court Meeting, the Concessionary Stockholders Class Meeting or the Extraordinary General Meeting, if the Concessionary Scheme becomes effective, his units of Concessionary Stock will be acquired pursuant to the Concessionary Scheme. Whether or not a Preferred Stockholder votes his Preferred Stock units at the Extraordinary General Meeting, if the Preferred Stock Cancellation becomes effective, his units of Preferred Stock will be cancelled pursuant to the Preferred Stock Cancellation.

P&O and the Offeror urge Stockholders to read the Circular when received as it contains important information relating to the Proposals (as amended by the Revised Proposals). Stockholders may obtain a free copy of the Circular from 1 February 2006 from any of Citigroup Global Markets Limited, N M Rothschild & Sons Limited, Deutsche Bank AG or Morgan Stanley & Co. Limited.

(ends)