

## FERRIES RESULTS: JULY TO SEPTEMBER 2000

16th November 2000

The attached information sets out the unaudited financial results, statistics and key points for P&O Stena Line for the third quarter of 2000, as well as statistics and key points for P&O's other ferry operations in the North Sea, Irish Sea, Western Channel and Scottish Isles.

In summary, the main points arising from the information are set out below.

### P&O Stena Line

- a good result despite increased fuel costs;
- lower freight carryings were partly offset by improved rates; and
- lower tourist vehicle carryings were comfortably offset by improved rates.

### P&O Ferries

- freight carryings increased with rates remaining firm
- lower tourist vehicle carryings were partly offset by improved rates; and
- fuel costs continued to have an adverse effect.

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## RESULTS & STATISTICS THIRD QUARTER 1999

### P&O Stena Line

	Carryings ('000)				Market Share (%)			
	Q3		YTD		Q3		YTD	
	2000	1999	2000	1999	2000	1999	2000	1999
Freight units	272	294	835	880	41	48	42	49
Tourist vehicles (incl. coaches)	566	647	1,381	1,630	31	31	31	31
Passengers	3,694	3,852	9,099	9,780	41	40	40	38

### Results (£m)

Q3		YTD	
2000	1999	2000	1999

Operating profit	23.9	19.3	31.5	59.9
Interest and similar items	(4.1)	(4.7)	(13.1)	(15.3)
Headline profit	19.8	14.6	18.4	44.6
Loss on closure of Newhaven/Dieppe	n/a	n/a	n/a	(10.8)

## Notes to editors

1. Carryings and market share include P&O Stena Line's two routes – Dover/Calais and Dover/Zeebrugge (freight only) – and also Newhaven/Dieppe until 31 January 1999 when it closed.
2. Market share calculations are in respect of total volumes for the Short Sea and Belgian Straits.
3. All figures are unaudited.

## P&O Ferries (excluding P&O Stena Line)

	Carryings ('000)			
	Q3		YTD	
	2000	1999	2000	1999
Freight units	328	319	994	963
Tourist vehicles (including coaches)	382	416	780	824
Passengers	1,480	1,575	3,181	3,389

## Notes to editors

1. The above statistics are an aggregation of P&O's other ferry routes around the UK namely North Sea, Irish Sea, Western Channel and Scottish Isles.

## KEY POINTS

### P&O Stena Line

1. P&O Stena Line had a good third quarter. This was the first quarter following the abolition of duty free sales from 1 July 1999 to give a like for like performance comparison. P&O Stena Line recorded an operating profit of £23.9 million, £4.6 million ahead of Q3 1999 (£19.3 million). Headline profit was £19.8 million, £5.2 million higher than in Q3 1999 (£14.6 million).
2. There was an 8% reduction in freight carryings but this was partly offset by improved freight rates. The total Short Sea freight market is continuing to expand strongly, with growth of 8% over Q3 1999. This increase was absorbed by additional capacity introduced by Eurotunnel.

3. As expected, tourist vehicle carryings were down compared to Q3 1999, by 12%. This was more than offset by the increase in average achieved rates. The rate improvement derives from an improved mix , with less promotional traffic, and an underlying increase. P&O Stena Line's market share remained constant at 31%.
4. Gross on board sales per passenger have continued to increase since the abolition of the duty free concession. Average gross on board sales per passenger for Q3 2000 exceeded the same period in 1999. There was an increase in fuel costs of £1.5 million compared to Q3 1999.

### **P&O Ferries**

1. As with the Short Sea, the overall freight market has continued to grow. Freight carryings by P&O Ferries increased for the fourth quarter running, with Q3 2000 3% up on Q3 1999. Rates have held firm.
2. Tourist vehicle carryings were down mainly as a result of the weak Euro. However, rates have improved across all routes.
3. Fuel costs increased by £4 million compared to Q3 1999.
4. The new 100 freight unit vessel, European Causeway, joined the Larne - Cairnryan route in August and has received strong customer support.

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