

25 August 2005

P&O SELLS KING'S CROSS PROPERTY FOR £46M

P&O announces that it has agreed the sale of the second of the two main blocks of its Regent Quarter property development to LaSalle London Office Fund ('LLOF') for £46 million. The sale will complete when construction of the block has finished, which is expected to be towards the end of this year. P&O does not expect to record any significant gain or loss on the transaction. Cash proceeds from the sale will be used to reduce Group net debt.

This sale will contribute towards P&O's total net property sales for 2005 which are expected to be close to £400 million, well ahead of P&O's original target for the year of £325 million.

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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, provides cold logistics services internationally and has property interests in the US and Europe. P&O Estates is the property investment, development and management division of P&O in Europe. For more information, visit www.pogroup.com

Notes to editors

Regent Quarter is a mixed use urban regeneration project covering nearly six acres adjacent to King's Cross Station in the heart of London. The block that is subject to today's announcement consists of 244,000 sq. ft of mixed use space which has been renovated and reconstructed by P&O Estates, including 180,000 sq. ft. of office space together with retail, restaurant and leisure facilities.

This block and £19 million of individual residential and commercial property sales, together with another block sold to LLOF for £47 million earlier this year, represent the significant majority of the development.

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