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THURSDAY, 26 JUNE 2003

P&O PRE-CLOSE PERIOD STATEMENT

P&O's Interim Results for the six month period to 30 June will be announced on 11 September. Prior to the commencement of the close period preceding the announcement, P&O will be providing analysts with an opportunity to meet senior management. The key points which will be discussed are:

- The overall trading outlook for the Group is consistent with the Chairman's Statement to the Annual General Meeting on 16 May;
- Ports container volumes continue to grow strongly with organic growth remaining above 20% year on year;
- Ferries has continued to see lower rates and volumes in the tourist market;
- P&O Nedlloyd volume and revenue rate growth are ahead of market expectations but are partly offset by high bunker costs and adverse exchange rate movements;
- Associated Bulk Carriers has continued to see a strongly positive trading trend; and
- Consistent with previous statements and in advance of the completion of the triennial valuation of the main UK pension scheme, there will be a SSAP 24 accounting charge of £5 million for the first half in relation to the estimated fund deficit.

Taken together, these points indicate that there should be no material change to current market expectations for pre-exceptional pre-tax profit for 2003 save for the pension charge.

On 14 August, P&O will report its Q2 trading update and financial results for P&O Nedlloyd, in which P&O has a 50% interest.

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