



EMBARGO: NOT FOR RELEASE BEFORE 07.00 HOURS (UK TIME) ON  
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### **P&O PRE-CLOSE PERIOD STATEMENT**

P&O's Interim Results for the six month period to 30 June 2005 will be announced on 11 August. P&O will be providing analysts with an opportunity to meet senior management prior to the commencement of the close period.

It is anticipated that there will be no change in market expectations for the Group's pre-tax pre-exceptional profit for 2005. As previously announced, there will be a positive £11 million adjustment to allow for the impact of the adoption of International Financial Reporting Standards. Market expectations will also be subject to adjustment for the potential sale of P&O's 25% interest in Royal P&O Nedlloyd.

The key points which will be discussed are:

- **Ports** – there is no change in the expected result for the current year. The trends reported in the Q1 trading update have continued, with strong growth in China and India being offset by slower growth in the UK and Australia. Full year organic volume growth is now expected to be 8-9%. Improvements in average revenue per unit are leading to operating profit growth exceeding organic volume growth and this is expected to be the case for both the first half and the full year;
- **Ferries** – there is no change in the expected result for the current year, despite higher fuel costs. The lack of berthing capacity at Calais has led to approximately 14% of sailings on the Dover-Calais route being lost in the first half but operations are now back to normal. Across the business as a whole, trading has been as expected. On continuing routes, freight volumes are consistent with the previous year, despite the reduced capacity on the short sea, and rates have been stable. Tourist carryings, and as a consequence on-board spend, are lower but rates were slightly improved. The implementation of the fundamental business review has gone well. With the benefits of the business review expected to come through as the year

progresses, and taking into account the Calais berthing problems, it is expected that two thirds of the anticipated profit improvement for 2005 over 2004 will occur in the second half of the year;

- **Property** – P&O remains on track to meet its 2005 net property sales target of £325 million (see note (1)). To date, net property sales of approximately £250 million have been completed; and
- **International Financial Reporting Standards (IFRS)** – full details of the adoption of IFRS were announced on 15 June and can be found on the website at [www.pogroup.com](http://www.pogroup.com) within the 'Investor' section. Restated comparatives by division for the first half of 2004 are provided in note (2) below.

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#### **Notes to editors:**

1. The Hanseatic Trade Center ('HTC') property was sold earlier in 2005 and under IFRS the total proceeds of approximately €200 million (£140 million) contribute towards the Group's property target. Previously only 47.5% of the proceeds were included and hence the 2005 property sales target has been increased from £250 million to £325 million. For further details refer to the announcement on 15 June 2005 regarding the adoption of IFRS.

2. The results for the first half of 2004, restated for IFRS and reconciled to the operating profit figure in the published IFRS income statement, were as follows:

**Proforma Segmental Analysis for six months ended 30 June 2004**

	Restated in accordance with IFRS Unaudited		
	<b>Group</b>	<b>Joint ventures and associates</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Ports	54.4	20.5	74.9
Ferries	(20.3)	-	(20.3)
Cold Logistics	8.9	-	8.9
Container Shipping	(2.0)	24.8	22.8
Property	37.5	1.3	38.8
	78.5	46.6	125.1
Less:			
Joint ventures and associates interest		(8.9)	(8.9)
Joint ventures and associates tax		(5.0)	(5.0)
Joint ventures and associates minority interest		(0.2)	(0.2)
<b>Group Operating Profit</b>	<b>78.5</b>	<b>32.5</b>	<b>111.0</b>

The results included net separately disclosable charges of £1.2 million.

(ends)