

P&O RESPONSE TO OFT's DECISIONS ON IRISH SEA OPERATIONS

22 August 2003

P&O welcomes today's announcement from the Office of Fair Trading (OFT) that it has cleared the Group's proposed transaction with Stena AB with regard to the Port of Cairnryan joint venture.

P&O also notes the announcement from the OFT that it has decided to refer the Group's proposed transaction with Stena AB with regard to its ferry operations on the Irish Sea. P&O will be studying the terms of the OFT's decision and is confident of presenting a strong case to the Competition Commission.

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Notes to editors:

1. On 27 May 2003, P&O and Stena AB announced that they had signed a Memorandum of Understanding (MOU) concerning Stena's proposed acquisition of a significant part of P&O's ferry operations on the Irish Sea. The MOU also provided for the transfer of Stena's Stranraer port operations to Cairnryan, with Stena and P&O each taking a 50% shareholding in a new company to develop the port.
2. The proposals remain subject to contract, employee consultation and regulatory clearance with the Irish, as well as the UK, competition authorities.

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