



P&O Announcement of Interim Results

4th September 2001

Financial highlights

	Six months to 30 June 2001 £m	Six months to 30 June 2000* £m
Turnover	2,125.5	2,010.0
Operating profit	135.7	148.6
Net interest	(55.5)	(51.9)
Profit before tax	90.4	96.6
Profit attributable to stockholders	62.1	64.3
Basic earnings per share	8.9p	9.3p
Dividend per share	4.5p	n/a

* Pro forma, excluding the results of the cruises business which was demerged on 23 October 2000

Key points

- Ports operating profit up 31%
- Cold Logistics operating profit up 42%
- Trans European operating profit up 60%
- 6 million cost to Ferries from foot and mouth
- Positive outlook for Ports and Logistics

Comment by P&O Chairman, Lord Sterling

“Despite the slower rate of growth in world trade, our Ports and Logistics businesses have shown considerable resilience and we are confident that they will continue to do well. Ferries and P&O Nedlloyd are facing a much more challenging environment but they are market leaders that can play a key role in further industry consolidation. There is significant value in all our businesses and we are determined to see P&O’s underlying strengths reflected in the market.”

A presentation of the results for analysts and investors will be held at 09.00 hours today at the London Underwriting Centre, 3 Minster Court, Mincing Lane, London EC3. This presentation with accompanying audio will be webcast live on the group website www.p-and-o.com. Details can be found in the Investor Relations section.

Further information:

Peter Smith,
Director, P&O
Tel: 020 7930 4343

INTERIM STATEMENT

Results and dividend

Operating profit for the 6 months to 30 June 2001 was £135.7 million (2000 pro forma £148.6 million). Strong performances by Ports and Logistics resulted in a 35% increase in their contribution to £68.1 million (£50.5 million). P&O Nedlloyd also had a much better result. These were partly offset by a reduced contribution from Ferries. Property achieved a good result from a much lower asset base.

Profit before interest and tax was £145.9 million (£148.5 million). After net interest of £55.5 million (£51.9 million), profit before tax was £90.4 million (£96.6 million). The tax charge was 25.8%. Basic earnings per share of 8.9p was similar to last year (9.3p).

The Board has resolved to pay a dividend of 4.5p per £1 nominal of deferred stock. This is the first interim dividend to be declared for P&O following the demerger of the cruises business last year. The dividend will be paid on 16 November 2001 to deferred stockholders on the register at the close of business on 14 September 2001.

Ports

Ports achieved a 31% increase in operating profit to £52.9 million (£40.3 million). The major part of this business is worldwide container terminals and other cargo facilities. This accounted for £46.2 million (£35.0 million). The remainder was from maritime services which also achieved an excellent result.

Container terminal throughput increased by 26% to 4,670,000 teu (3,717,000 teu). 11% of this increase was from organic growth. A strong result was achieved in most areas, particularly India, China and Asia generally. This was partly offset by a weaker result in Argentina, where the economy remains under pressure, and the UK, where volumes were up but ancillary revenue was down.

The strong result for container terminals was achieved despite a much weaker world trade environment. This underlines the inherent strength of the Ports business. There are four main reasons for this. First, ports have good defensive characteristics with significant barriers to entry. Secondly, world trade continues to grow and is increasingly being containerised. Thirdly, P&O's ports are located in some of the fastest developing areas of the world economy. And finally, we compete successfully and win local market share, particularly against public sector terminals. For these reasons, further good growth is expected in the second half of 2001, although with a slower US economy this may not fully match that of the first half. In 2002 we anticipate an uplift from the major investments we are making in the US and China, and also from market share gains and other improvements in Australia.

We announced last month that we had signed the concession agreement for the privatisation of Chennai, the largest container port on the east coast of India. P&O will commence management from mid-November. Together with Nhava Sheva, the largest west coast port, Chennai will give P&O a leading position in one of the fastest growing economies in the region. Other projects are under active consideration in a number of countries. Although our ports throughput is growing fast, there is still significant headroom. In addition there are a number of purchase options for further major expansion that form part of concessions that have already been won, including in China and the US. If these options were fully exercised and brought on stream they would add approximately 17 million teu per annum. This would effectively double our present capacity to

34 million teu as compared to throughput last year of approximately 8 million teu. The upside potential in this business therefore remains considerable.

Our increasing scale is enabling us to benefit from running the portfolio as an integrated business. We have commenced a major new programme to boost productivity and spread best practice. The full effects will start to become apparent from 2002 when we are targeting benefits to operating profit of £15 million annually. We are also looking at further ways of extending our associated inland logistics operations.

P&O Maritime had a strong first half with a 26% increase in operating profit to £6.7 million (£5.3 million). This was largely driven by high demand for offshore supply vessels. The market is expected to remain firm for the rest of the year.

Logistics

Cold Logistics had an excellent first half with a 42% increase in operating profit to £8.8 million (£6.2 million). 30% of the increase was from organic growth. The margin on turnover also improved.

The US, where we made our first acquisition on the east coast, continued to perform well. Australia also had a good half year. In May we completed the acquisition of the cold logistics business of Eskimo Logistics Group to give P&O the leading position in the New Zealand retail market. Our much smaller business in Argentina had a disappointing result. This was due to the effect of foot and mouth disease on the refrigerated meat trade and the weakness in the domestic economy.

The prospects for Cold Logistics continue to be encouraging. We are announcing today a \$20 million commitment to two greenfield facilities in the US that will increase our capacity there by 8%. In California, a 140,000 cubic metre expansion is planned for completion in early 2002 and in Texas a 74,000 cubic metre expansion is planned for completion at the end of this year. With continued outsourcing we envisage further organic growth. We are also alert to additional consolidation opportunities.

P&O Trans European had a good first half with operating profit increasing by 60% to £6.4 million (£4.0 million). This improved result came from a combination of strong organic growth and the successful integration of the acquisitions made last year in Spain and France. Margins improved by 20%. The first half saw a continuation of significant new business wins with contracts having a gross annual value of £85 million being signed. With our competitive strengths and the continued trend towards outsourcing the outlook is robust.

A major new logistics facility was opened at Duisburg, Germany in June. This 27,000 square metre high-bay warehouse and distribution centre will become an important hub for P&O Trans European in Northern Europe. It will also have intermodal links with our container terminal at Antwerp.

Further strategic progress was made with the unit loads business. The Scandinavian division was sold and, despite a slowdown in UK exports to the Continent, further cost efficiencies were achieved. Unit Loads now accounts for only one quarter of the asset base of P&O Trans European which in turn has one of the highest turnover:asset ratios in the UK transport logistics sector. The second half year will see further improvements following the restructuring of the fast freight and groupage activities.

Ferries

Ferries had a disappointing first half, recording a loss of £18.1 million (£7.4 million loss). The major reason for the weaker result was the outbreak of foot and mouth disease which impacted profit by approximately £6 million in the first half.

P&O Stena Line, in which P&O has a 60% economic interest, achieved a good result given the challenging conditions. P&O's share of the operating profit was £4.0 million. Despite the effect of foot and mouth, which contributed to an 11% decline in total Short Sea tourist vehicle carryings, this was only marginally down on last year's first half (£4.5 million). Tourist vehicle rates were slightly down but this was more than offset by significantly increased on board sales. Total Short Sea freight carryings grew by 10%, much of which was absorbed by a new entrant. Freight rates showed little change compared to the first half of 2000. In June the European Commission granted P&O Stena Line a further six year exemption from anti-trust provisions.

The tourist market on all other routes was also affected by foot and mouth. In the light of this, the results for the Irish Sea and Scottish routes were reasonable. Although still unsatisfactory, the Western Channel achieved an improved result.

On the North Sea, the Pride of Rotterdam was introduced in April and has been extremely well received. She will be joined by her sister ship, the Pride of Hull, in November. Together they will replace four smaller ships with consequent cost savings and improved tourist revenue yield. However, there were one off costs from this restructuring and also because some freight traffic moved from the North Sea to the Channel. Together these impacted the Ferries result by £5 million.

The second half of the year is continuing to be affected by foot and mouth with a noticeable lack of Continental passengers at the height of the tourist season. There will also be further rationalisation costs

arising from the introduction of our new ships on the North Sea. Despite these one off factors, the underlying performance of our Western Channel and North Sea operations remains unacceptable. We have therefore carried out a detailed review of the options, including possible further rationalisation and consolidation. We reiterate our commitment to covering Ferries' cost of capital during 2002.

We have identified increased opportunities to improve margins through strategic purchasing. We are also close to finalising a more effective approach to fuel procurement. These will benefit not only Ferries but also the rest of P&O where we are targeting a total saving of at least £10 million from 2002 onwards.

As we go into 2002 we expect continuing strong growth in Anglo-Continental and Irish Sea freight. We also anticipate a marked recovery in passenger numbers stimulated by our own marketing and the Government's stated commitment to restoring tourism to previous levels.

Cargo shipping

P&O Nedlloyd had a much improved half year with operating profit increasing to £23.8 million (£9.7 million). Throughput increased by 6% and the average revenue rate by 3%. Good progress was made in attacking costs through the introduction of the latest e-commerce products and new global process systems. The short term trading outlook, however, is less positive. Slower growth in world trade and new capacity entering the market are expected to impact future load factors and revenue adversely.

By virtue of its scale, route network, IT systems and management, P&O Nedlloyd is one of the leading container shipping companies and a formidable competitor. The joint venture partners are committed to adding shareholder value by driving the company's efficient development. In addition to the current major cost savings programmes, increased attention will be given to further improving yield management and tightly controlling cash flow.

We have been unable to reach agreement on the so-called reverse listing that has been under close discussion with Royal Nedlloyd for some months. With its strong balance sheet and cash flow, there is significant value contained in P&O Nedlloyd. P&O is not prepared to see this diminished through the adoption of sub-optimal corporate structures or to have unacceptable limitations placed on the rights attaching to its holding. P&O is nevertheless strongly committed to enabling P&O Nedlloyd to achieve further consolidation. In due course we will look to reduce our shareholding but we are not prepared to sacrifice shareholder value in the process.

P&O's bulk shipping interest now forms part of a larger, externally managed company. Since the new company was formed, P&O has received dividend payments totalling approximately \$25 million. Although rates have come down significantly, they were strong in the first half of the year and the opportunity was taken to enter into contracts that account for much of the capacity for the remainder of 2001.

Property

Property achieved a good result of £54.5 million (£92.3 million) as we continue to reduce our interests. The main reason it was lower than in the first half of 2000 was because of the timing of property development sales, where this year's £49.3 million compares to the particularly strong result last year of £70.5 million. We also had a much reduced rental income of £2.7 million (£17.1 million) following the sale of the major part of our UK investment property portfolio in May 2000. Other property related businesses contributed £2.5 million (£4.7 million). Overall the division is making good progress in the second half but not at quite the pace of the first part of the year.

Outlook

The level of world trade growth is down on what it was six, or even three, months ago. There is also uncertainty, particularly surrounding the US economy. To some extent these factors will affect our businesses. Ports and Logistics, however, have shown considerable resilience. While the second half of 2001 will present challenges, we are confident that they will continue to do well.

It is less than a year since we successfully demerged our cruises business. We are committed to maintaining the pace of our strategic development. We intend to realise fully the value of the leadership positions of P&O Nedlloyd and Ferries. Ports and Logistics are moving ahead strongly as we allocate capital to the fastest growing parts of the Group. We are also achieving increased synergies from

managing the Group more closely since the demerger. There is significant value in our businesses that we are determined to see reflected in our share price.

INTERIM RESULTS

INDEX

	Page
Group profit and loss account excluding Cruises	8
Summarised Group balance sheet excluding Cruises	9
Summarised Group cash flow statement excluding Cruises	10
Notes to the interim accounts excluding Cruises	11
Group profit and loss account	14
Summarised Group balance sheet	15
Summarised Group cash flow statement	16
Notes to the interim accounts on a statutory basis	17

Following the demerger of the cruises business on 23 October 2000, P&O's comparative results for the six months to 30 June 2000 and the full year to 31 December 2000 have been presented on a pro forma basis, excluding the cruises business, as well as on a statutory basis.

**GROUP PROFIT AND LOSS ACCOUNT EXCLUDING CRUISES
FOR THE SIX MONTHS ENDED 30 JUNE 2001**

	Actual six months to 30 June 2001 £m	Pro forma six months to 30 June 2000 £m	Pro forma year to 31 Dec 2000 £m
Turnover: Group and share of joint ventures	2,125.5	2,010.0	4,393.5
Less: share of joint ventures' turnover	(897.0)	(769.6)	(1,830.5)
Group turnover (note 2)	1,228.5	1,240.4	2,563.0
Net operating costs	(1,146.1)	(1,120.0)	(2,318.4)
Group operating profit	82.4	120.4	244.6
Share of operating results of: joint ventures	39.8	21.8	110.4
associates	13.5	6.4	10.3
Total operating profit (note 3)	135.7	148.6	365.3
Profit/(loss) on sale of properties held as fixed assets	-	0.2	(17.1)
Profit/(loss) on sale of other fixed assets and businesses	10.2	(0.3)	(89.3)
Profit on ordinary activities before interest	145.9	148.5	258.9
Net interest and similar items (note 5)	(55.5)	(51.9)	(96.2)
Profit on ordinary activities before taxation	90.4	96.6	162.7
Taxation (note 6)	(23.3)	(25.9)	(83.7)
Profit on ordinary activities after taxation	67.1	70.7	79.0
Equity minority interests	(5.0)	(6.4)	(14.1)
Profit for the period attributable to stockholders	62.1	64.3	64.9
Dividends on equity and non-equity share capital	(32.3)	(93.6)	(157.3)
Retained profit/(loss) for the period	29.8	(29.3)	(92.4)
Basic earnings per £1 nominal of deferred stock	8.9p	9.3p	9.1p
Dividends per £1 nominal of deferred stock	4.5p	n/a	n/a

**SUMMARISED GROUP BALANCE SHEET EXCLUDING CRUISES
AS AT 30 JUNE 2001**

	Actual 30 June 2001 £m	Pro forma 30 June 2000 £m	Actual 31 Dec 2000 £m
Goodwill	193.3	156.0	171.3
Ships	216.4	458.5	197.5
Properties	504.8	474.1	484.4
Other fixed assets	644.8	585.6	598.7
Investments	1,120.6	954.1	1,062.1
Development and dealing properties	381.6	336.3	367.1
Stocks	52.9	55.8	61.8
Debtors	741.3	833.2	811.3
	<u>3,855.7</u>	<u>3,853.6</u>	<u>3,754.2</u>
Net borrowings (note 7)	(1,124.2)	(913.0)	(1,025.4)
Other creditors and provisions	(924.0)	(1,157.3)	(994.9)
Equity minority interests	(73.3)	(81.3)	(71.1)
Net assets less equity minority interests	<u>1,734.2</u>	<u>1,702.0</u>	<u>1,662.8</u>
Stockholders' funds	<u>1,734.2</u>	<u>1,702.0</u>	<u>1,662.8</u>

**SUMMARISED GROUP CASH FLOW STATEMENT EXCLUDING CRUISES
FOR THE SIX MONTHS ENDED 30 JUNE 2001**

	Actual six months to 30 June 2001 £m	Pro forma six months to 30 June 2000 £m	Pro forma year to 31 Dec 2000 £m
Net cash inflow from operating activities and dividends from joint ventures and associates	131.9	186.8	394.8
Returns on investments and servicing of finance	(31.2)	(32.2)	(58.2)
Taxation paid	(21.7)	(16.4)	(44.3)
	<hr/>	<hr/>	<hr/>
	79.0	138.2	292.3
Purchase of fixed assets and investments	(183.1)	(135.5)	(250.2)
Sale of fixed assets and investments	90.0	527.9	640.5
Purchase of subsidiaries, joint ventures and associates	(45.9)	(49.6)	(188.4)
Sale of subsidiaries, joint ventures and associates	88.6	61.2	98.0
	<hr/>	<hr/>	<hr/>
	28.6	542.2	592.2
Equity dividends paid	(61.1)	(130.3)	(222.4)
	<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow before management of liquid resources and financing	(32.5)	411.9	369.8
	<hr/>	<hr/>	<hr/>
Movement in net borrowings			
Net cash (outflow)/inflow before management of liquid resources and financing	(32.5)	411.9	369.8
Issues of stock	1.3	4.1	13.7
Borrowings of subsidiaries (acquired) less sold	(8.9)	(319.8)	(180.3)
Inception of finance leases and other non-cash movements in net borrowings	(29.9)	(0.9)	(39.4)
Net investment in P&O Princess Cruises	-	(19.4)	(197.5)
Exchange movements in net borrowings	(28.8)	(45.2)	(48.0)
	<hr/>	<hr/>	<hr/>
(Increase)/decrease in net borrowings	(98.8)	30.7	(81.7)
	<hr/>	<hr/>	<hr/>

NOTES TO THE INTERIM ACCOUNTS EXCLUDING CRUISES

1. Basis of preparation

Certain companies and businesses which were previously consolidated in the Group accounts were transferred to P&O Princess Cruises plc on 23 October 2000 as a result of the demerger of the Group's cruise business. For the periods to 30 June 2000 and 31 December 2000, the pro forma accounts exclude the results, cash flows and net assets of these companies and businesses (as well as demerger costs) and reflect the financial structure that was put in place on demerger, but otherwise have been prepared using the Group's accounting policies. In addition the pro forma accounts exclude an element of the Group's overhead costs, which have been allocated to P&O Princess Cruises plc consistently throughout the period based on its share of the turnover and staff numbers of the Group prior to the demerger.

The figures for the six months to 30 June 2001 and 30 June 2000 and the pro forma figures for the year to 31 December 2000 are unaudited. The actual figures at 31 December 2000 are extracted from the statutory accounts for that year.

2. Group turnover

	Actual six months to 30 June 2001 £m	Pro forma six months to 30 June 2000 £m	Pro forma year to 31 Dec 2000 £m
Ports	310.3	233.7	531.6
Logistics			
Cold Logistics	65.3	49.3	105.8
Contract Logistics	366.2	321.5	668.7
Unit Loads	167.6	156.1	322.3
Ferries	209.3	197.5	433.4
Bulk shipping	-	32.5	103.5
Property	109.8	249.8	397.7
	<u>1,228.5</u>	<u>1,240.4</u>	<u>2,563.0</u>

3. Total Operating Profit

	Actual six months to 30 June 2001 £m	Pro forma six months to 30 June 2000 £m	Pro forma year to 31 Dec 2000 £m
Ports	52.9	40.3	102.5
Logistics			
Cold Logistics	8.8	6.2	13.9
Contract Logistics	6.6	4.8	12.9
Unit Loads	(0.2)	(0.8)	(2.0)
Ferries	(18.1)	(7.4)	20.1

P&O Nedlloyd	23.8	9.7	66.2
Bulk shipping	7.4	3.5	17.8
Property	54.5	92.3	133.9
	<u>135.7</u>	<u>148.6</u>	<u>365.3</u>

4. Net operating assets

	Actual 30 June 2001 £m	Pro forma 30 June 2000 £m	Actual 31 Dec 2000 £m
Ports	946.3	818.1	857.7
Logistics			
Cold Logistics	178.1	128.7	160.0
Contract Logistics	148.7	128.4	127.9
Unit Loads	58.5	84.0	58.4
Ferries	454.1	417.7	432.8
P&O Nedlloyd	839.2	739.3	760.8
Bulk Shipping	162.4	338.0	216.8
Property	877.6	914.4	888.0
	<u>3,664.9</u>	<u>3,568.6</u>	<u>3,502.4</u>

5. Net interest and similar items

	Actual six months to 30 June 2001 £m	Pro forma six months to 30 June 2000 £m	Pro forma year to 31 Dec 2000 £m
Group	(38.7)	(37.4)	(79.0)
Joint ventures	(12.2)	(13.8)	(14.9)
Associates	(4.6)	(0.7)	(2.3)
	<u>(55.5)</u>	<u>(51.9)</u>	<u>(96.2)</u>

6. Taxation

Included in the taxation charge is a charge of £3.3 million (30 June 2000 £nil; 31 December 2000 £16.4 million) in respect of profits and losses on the sale of fixed assets and businesses.

7. Net borrowings

Net borrowings include loans of £1,186.4 million (30 June 2000 £1,218.4 million : 31 December 2000 £1,094.0 million), short term borrowings and bank overdrafts of £29.3 million (30 June 2000 £62.5 million : 31 December 2000 £21.7 million) less short term investments and cash of £91.5 million (30 June 2000 £367.9 million : 31 December 2000 £90.3 million). In the Company's statutory accounts, short term borrowings and overdrafts are included within other creditors, and short term investments and cash are included within current assets. The debt/equity ratio, taking net borrowings as a percentage of stockholders' funds, is 64.8% (30 June 2000 53.6% : 31 December 2000 61.7%).

Goodwill	193.3	172.8	171.3
Ships	216.4	2,808.7	197.5
Properties	504.8	552.1	484.4
Other fixed assets	644.8	652.9	598.7
Investments	1,120.6	961.1	1,062.1
Development and dealing properties	381.6	336.3	367.1
Stocks	52.9	114.1	61.8
Debtors	741.3	1,035.1	811.3
	<u>3,855.7</u>	<u>6,633.1</u>	<u>3,754.2</u>
Net borrowings (note 6)	(1,124.2)	(1,465.3)	(1,025.4)
Other creditors and provisions	(924.0)	(1,550.6)	(994.9)
Equity minority interests	(73.3)	(86.7)	(71.1)
Net assets less equity minority interests	<u>1,734.2</u>	<u>3,530.5</u>	<u>1,662.8</u>
Stockholders' funds (note 1)	<u>1,734.2</u>	<u>3,530.5</u>	<u>1,662.8</u>

**SUMMARISED GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2001**

	Six months to 30 June 2001 £m	Six months to 30 June 2000 £m	Year to 31 Dec 2000 £m
Net cash inflow from operating activities and dividends from joint ventures and associates	131.9	456.0	708.3
Returns on investments and servicing of finance	(31.2)	(48.7)	(106.1)
Taxation paid	(21.7)	(21.8)	(67.5)
	<hr/> 79.0	<hr/> 385.5	<hr/> 534.7
Purchase of fixed assets and investments	(183.1)	(533.9)	(731.0)
Sale of fixed assets and investments	90.0	529.9	649.5
Purchase of subsidiaries, joint ventures and associates	(45.9)	(59.5)	(198.1)
Sale of subsidiaries, joint ventures and associates	88.6	61.2	98.0
On demerger of Cruises	-	-	(360.2)
	<hr/> 28.6	<hr/> 383.2	<hr/> (7.1)
Equity dividends paid	(61.1)	(130.3)	(222.4)
	<hr/>	<hr/>	<hr/>
Net cash (outflow)/inflow before management of liquid resources and financing	(32.5)	252.9	(229.5)
	<hr/>	<hr/>	<hr/>
Movement in net borrowings			
Net cash (outflow)/inflow before management of liquid resources and financing	(32.5)	252.9	(229.5)
Issues of stock	1.3	4.1	13.7
Borrowings of subsidiaries (acquired) less sold	(8.9)	(319.8)	(180.3)
Inception of finance leases and other non-cash movements in net borrowings	(29.9)	(0.9)	(39.4)
On demerger of Cruises	-	-	812.4
Exchange movements in net borrowings	(28.8)	(65.7)	(66.4)
	<hr/> (98.8)	<hr/> (129.4)	<hr/> 310.5
	<hr/>	<hr/>	<hr/>

NOTES TO THE INTERIM ACCOUNTS ON A STATUTORY BASIS

1. Reconciliation of movements in stockholders' funds

	Six months to 30 June 2001 £m	Six months to 30 June 2000 £m	Year to 31 Dec 2000 £m
Profit for the period attributable to stockholders	62.1	150.7	68.2
Surplus on valuation of properties including those held by joint ventures and associates	-	-	3.0
Fair value adjustments to existing interests in net assets on acquisition of subsidiary	-	(24.4)	(24.4)
Exchange movements on foreign currency net investments	40.3	118.2	139.9
Total recognised gains and losses for the period	102.4	244.5	186.7
Dividends on share capital	(32.3)	(93.6)	(157.3)
Demerger dividend in specie	-	-	(1,807.3)
New stock issued	1.3	4.1	13.7
Goodwill on disposals	-	-	51.5
Net change in stockholders' funds	71.4	155.0	(1,712.7)
Stockholders' funds at the beginning of the period	1,662.8	3,375.5	3,375.5
Stockholders' funds at the end of the period	1,734.2	3,530.5	1,662.8

2. Group turnover

	Six months to 30 June 2001 £m	Six months to 30 June 2000 £m	Year to 31 Dec 2000 £m
Continuing operations			
Ports	310.3	233.7	531.6
Logistics	599.1	526.9	1,096.8
Ferries	209.3	197.5	433.4
Bulk shipping	-	32.5	103.5
Property	109.8	249.8	397.7
	1,228.5	1,240.4	2,563.0
Discontinued operations			
Cruises	-	745.3	1,381.2
	1,228.5	1,985.7	3,944.2

Certain small service companies, included within Logistics to 30 June 2000, are now included within Property.

3. Total operating profit

	Six months to 30 June 2001 £m	Six months to 30 June 2000 £m	Year to 31 Dec 2000 £m
Continuing operations			
Ports	52.9	40.3	102.5
Logistics	15.2	10.2	24.8
Ferries	(18.1)	(7.4)	20.1
P&O Nedlloyd	23.8	9.7	66.2
Bulk shipping	7.4	3.5	17.8
Property	54.5	92.3	133.9
	<u>135.7</u>	<u>148.6</u>	<u>365.3</u>
Discontinued operations			
Cruises	-	109.3	237.8
	<u>135.7</u>	<u>257.9</u>	<u>603.1</u>

4. Net operating assets

	30 June 2001 £m	30 June 2000 £m	31 Dec 2000 £m
Continuing operations			
Ports	946.3	818.1	857.7
Logistics	385.3	341.1	346.3
Ferries	454.1	417.7	432.8
P&O Nedlloyd	839.2	739.3	760.8
Bulk Shipping	162.4	338.0	216.8
Property	877.6	914.4	888.0
	<u>3,664.9</u>	<u>3,568.6</u>	<u>3,502.4</u>
Discontinued operations			
Cruises	-	2,233.3	-
	<u>3,664.9</u>	<u>5,801.9</u>	<u>3,502.4</u>

5. Dividends on equity and non-equity share capital

	Six months to 30 June	Six months to 30 June	Year to 31 Dec
--	--------------------------	--------------------------	-------------------

	2001 £m	2000 £m	2000 £m
Preferred and concessionary stock	(1.9)	(1.9)	(3.8)
Deferred stock			
Interim	(30.4)	(91.7)	(91.7)
Final	-	-	(61.8)
	<u>(32.3)</u>	<u>(93.6)</u>	<u>(157.3)</u>

6. Net borrowings

Net borrowings include loans of £1,186.4 million (30 June 2000 £1,822.1 million : 31 December 2000 £1,094.0 million), short term borrowings and bank overdrafts of £29.3 million (30 June 2000 £40.5 million : 31 December 2000 £21.7 million) less short term investments and cash of £91.5 million (30 June 2000 £397.3 million : 31 December 2000 £90.3 million). In the Company's statutory accounts, short term borrowings and overdrafts are included within other creditors, and short term investments and cash are included within current assets.

7. The figures for the six months to 30 June 2001 and 30 June 2000 are unaudited.

The figures for the year to 31 December 2000 are extracted from the statutory accounts for that year, which have been delivered to the registrar of companies, and on which the auditors gave an unqualified report, without any statement under section 237 (2) or (3) of the Companies Act 1985. The 2001 interim results will be posted to stockholders on 11 September 2001 and will be available for inspection from that date at the head office of the Company at 79 Pall Mall, London SW1

(ends)