



P&O CRUISES STATISTICS : OCTOBER TO DECEMBER 1999

12th January 2000

This release gives quarterly statistical information and commentary on P&O's Cruises Division. For the year ended 31 December 1998, the Division accounted for some 40% of the Group's operating profit. This percentage is continuing to increase as further investment takes place and non-core assets are sold.

In general terms the release shows that:

- Princess Cruises had a most successful 1999. Despite an 18% increase in capacity, net revenue yields remained in line with the high levels achieved in 1998 and occupancy increased by 20%;
- 2000 looks set to be another good year for Princess with a 12% increase in capacity and bookings and yields for the first half in line with those at this time last year;
- P&O Cruises (UK) also benefited from a strong 1999 with occupancy and yields ahead of 1998. In 2000 capacity will increase by 37%. Bookings are going well with yields comparable to those at this time last year; and
- Aida Cruises, Germany's fastest growing cruise operation, is continuing to grow strongly with bookings and yields ahead of this time last year.

Further information:

Peter Smith,
Director of Corporate Affairs, P&O
0171 930 4343

P&O CRUISES

Capacity Offered (pcd's)

| | 4th Quarter | | Full Year | |
|------------------|-------------|-----------|-----------|-----------|
| | 1999 | 1998 | 1999 | 1998 |
| Princess Cruises | 1,279,670 | 1,266,622 | 5,565,301 | 4,710,610 |
| P&O Cruises (UK) | 385,845 | 400,057 | 1,494,418 | 1,582,393 |

Capacity Achieved (pcd's)

| | 4th Quarter | | Full Year | |
|------------------|-------------|-----------|-----------|-----------|
| | 1999 | 1998 | 1999 | 1998 |
| Princess Cruises | 1,309,619 | 1,282,940 | 5,679,207 | 4,719,559 |
| P&O Cruises (UK) | 367,027 | 373,398 | 1,429,602 | 1,510,773 |

Occupancy (%)

| | 4th Quarter | | Full Year | |
|------------------|-------------|-------|-----------|-------|
| | 1999 | 1998 | 1999 | 1998 |
| Princess Cruises | 102.3 | 101.3 | 102.0 | 100.2 |
| P&O Cruises (UK) | 95.1 | 93.3 | 95.7 | 95.5 |

Notes to Editors

1. The statistics for Princess Cruises are primarily for its nine ships operated from the US but also include its one ship cruise business in Australia (marketed under the name P&O Holidays). The statistics for P&O Cruises (UK) mainly cover its three UK based ships but also include the Swan Hellenic ship MINERVA.
2. pcd = passenger cruise days.
3. Capacity offered and achieved in quarter and year is based on cruises commencing within the quarter or year even though they may end in the following quarter or year.
4. In the case of Princess, upper berth sales are not a material part of the total passenger carry. Capacity offered is therefore based on lower berth capacity while capacity achieved is actual occupancy, i.e. both lower and upper berths. For this reason occupancy levels can sometimes exceed 100%.

P&O CRUISES Highlights for Q4 1999

Princess Cruises

1. For the full year capacity offered increased by 18% compared to 1998. Capacity achieved, however, increased by 20% thereby resulting in an occupancy level approximately 2% higher. A similar position pertained for the most recent, fourth quarter.
2. On a like for like basis net revenue yields for 1999 were in line with the high levels achieved in 1998. Together with the high occupancy level this reflects the continuing strong demand for cruising in the US.
3. Indications so far are that 2000 looks set to be another good year for Princess. Capacity will increase by 12% (excluding Australia). For the first half year, well over 70% of capacity is booked at yields that are consistent with this time last year.
4. Ocean Princess (77,000 gross tons, 1950 lower berths) will have her first cruise departing 19 February. She will be a fourth sister to Sun, Dawn and Sea Princess. Her inaugural season is booking well.

P&O Cruises (UK)

1. P&O Cruises had a good final quarter to round off a successful year. Capacity offered for the fourth quarter 1999 and the full year were slightly down due to different scheduling. Occupancy, however, was ahead for both the quarter and the year. Net revenue yields were also higher.
2. For 2000 there is a capacity increase of 37% (excluding Swan Hellenic). Bookings are going well with yields comparable to those at this time last year.
3. Aurora (76,000 gross tons, 1874 lower berths) will have her first cruise departing 1 May. She will be a bigger sister to Oriana. As with Ocean Princess, she is booking well.

Aida Cruises

1. P&O completed its acquisition of 51% of Germany's fastest growing cruise operation, Aida Cruises, on 2 November 1999. Relevant fourth quarter and full year statistics for 1999 are therefore not available but will start to be published next quarter.
2. Looking ahead to 2000, the business is continuing to grow strongly. Both bookings and net revenue yields are ahead of this time last year.

(ends)