



## P&O PORTS CONSORTIUM WINS \$170 MILLION CONCESSION IN CHENNAI, INDIA

9th August 2001

P&O is pleased to announce that a consortium lead by P&O Ports has won a 30 year concession to privatise and develop Chennai Container Terminal in India. The concession agreement, which was signed today, provides for the modernisation of the current terminal operations and the development of Chennai as a major hub port.

Chennai Container Terminal is already the second largest container port in India, accounting for approximately 15% of total volumes. As well as being the principal port on the east coast of India it is the only one, apart from Calcutta, that is able to handle substantial container volumes.

The terminal is currently handling approximately 385,000 twentyfoot equivalent units (teu) annually and has had average annual growth over the last five years of approximately 15%. It has a draft in excess of 13 metres which can be dredged to 15.5 metres, sufficient for the largest container vessels. Capacity of the terminal following completion of the quayline extension will be approximately 1.3 million teu per annum. This is expected to increase in the later stages of the project to approximately 2 million teu per annum.

Commenting on the announcement, P&O Chairman Lord Sterling said: "We are delighted that the Minister of Shipping has awarded this privatisation project to the P&O Ports consortium. P&O has a long and historic association with India. We look forward to making this further major investment which we expect will contribute significantly to the expansion of international trading opportunities in the region."

Douglas Anderson, Managing Director of P&O Ports, said "P&O has of course had a major success with our terminal at Nhava Sheva, the main port on the west coast of India. We shall be looking to repeat this success at Chennai."

Investment during the first five years of the project is estimated at US\$100 million. A further US\$70 million is expected to be invested following the handover of an adjacent iron ore berth. The consortium partners are P&O Ports, which holds 75%, the Chettinad Group, 20%, and the MBEC Group, 5%.

Further information:

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**Notes to editors:**

P&O Ports is one of the world's pre-eminent container terminal operators and developers. It has a presence on every continent with interests in 30 container terminals in 16 countries and other bulk and general cargo handling interests in more than 50 ports.

The Chettinad Group is a Chennai based investment business with interests in cement, construction, transport and agency.

The MBEC Group is an existing partner of P&O Ports with a 5% stake in Nhava Sheva International Container Terminal.

P&O Ports' terminal at Nhava Sheva, near Mumbai, commenced operation in April 1999. It handled 491,000 teu in its first year. Its annual volume is now approaching 1 million teu and already accounts for approximately half of the market.

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