

EMBARGO: NOT FOR RELEASE BEFORE 07.00 HOURS (UK TIME) ON
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**P&O PRE-CLOSE PERIOD STATEMENT
AND 2005 FINANCIAL CALENDAR**

P&O's Preliminary Results for the year to 31 December 2004 will be announced on 8 March. 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 2004.

The key points which will be discussed are:

- **Ports** – there has been no change in the expected result for the current year. Organic growth remains strong, although congestion at some locations held back growth in October and November. For 2004 as a whole, operating profit growth is expected to exceed volume growth, despite unfavourable exchange rates. The prospects for 2005 are positive, although, if exchange rates remain at current levels, they will have a further negative impact.
- **Ferries** – there has been no change in the expected result for the current year. The implementation of the restructuring proposals announced on 28 September is on track. On 7 December the Office of Fair Trading referred the proposed transaction with Brittany Ferries to the Competition Commission. P&O remains confident of presenting a strong case but there will be a negative impact on results from operating the loss-making Portsmouth – Le Havre route during 2005.
- **Property** – P&O remains on track to meet its target of £250 million of net property sales in 2004. In addition, the company continues to progress the proposed sale of La Manga.
- **International Financial Reporting Standards (IFRS)** – P&O is well advanced in its preparations for the implementation of IFRS. The company expects to provide an initial estimate of the impact as part of the Preliminary Results announcement on

8 March. In Q2 2005 a separate and detailed announcement will be made of the full impact of IFRS on P&O including publication of the re-stated 2004 financial statements.

P&O's 2005 Financial Calendar has been published on the website at www.pogroup.com within the 'Investor' section.

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Notes to editors:

1. The Brittany Ferries transaction relates to the proposed sub-charter of two ferries on the Portsmouth-Le Havre route and associated transfer of approximately 350 employees to Brittany Ferries. The transaction remains subject to employee consultation.

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